



**COMMITTEE STATEMENT:**      **ASSEMBLY:**                      No  
**SENATE:**                                      Yes      Budget

(Audio archived recordings of the committee meetings, corresponding to the date of the committee statement, **may possibly** be found at [www.njleg.state.nj.us](http://www.njleg.state.nj.us))

**FLOOR AMENDMENT STATEMENT:**                                      No

**LEGISLATIVE FISCAL ESTIMATE:**                                      No

**VETO MESSAGE:**    No

**GOVERNOR’S PRESS RELEASE ON SIGNING:**                                      Yes

**LEGISLATOR STATEMENT:**    No

**FOLLOWING WERE PRINTED:**

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**REPORTS:**    No

**HEARINGS:**    No

**NEWSPAPER ARTICLES:**    Yes

Katie Sobko, NorthJersey.com | USA TODAY NETWORK – NEW JERSEY, 'Gov. Murphy signs 2026 state budget', *Burlington County Times* (online), 2 Jul 2025 A1 <<https://infoweb.newsbank.com/apps/news/document-view?p=NewsBank&docref=news/1A19402610D5D850>>

Matthew Fazelpoor, 'Murphy signs \$58.8B NJ budget with tax hikes, relief aid', *NJBIZ* (online), 1 Jul 2025 <<https://infoweb.newsbank.com/apps/news/document-view?p=NewsBank&docref=news/1A1ADA14A0F8F6B8>>

Susan K. Livio and Jelani Gibson - For South Jersey Times, 'Record \$58B state budget approved by Legislature', *South Jersey Times* (online), 1 Jul 2025 001 <<https://infoweb.newsbank.com/apps/news/document-view?p=NewsBank&docref=news/1A18E6CF7453EB78>>

CL/MMcB

§4  
Repealer  
§5  
Note

P.L. 2025, CHAPTER 69, *approved June 30, 2025*  
Assembly, No. 5804

1 AN ACT concerning the additional fees and taxes on certain  
2 transfers of real property for over \$1 million, amending  
3 P.L.2004, c.66 and P.L.2006, c.33, and repealing section 2 of  
4 P.L.2005, c.19.

5  
6 **BE IT ENACTED** by the Senate and General Assembly of the State  
7 of New Jersey:

8  
9 1. Section 8 of P.L.2004, c.66 (C.46:15-7.2) is amended to read  
10 as follows:

11 8. a. In addition to all other fees imposed under P.L.1968, c.49  
12 (C.46:15-5 et seq.), there is imposed a fee upon the **[grantee]**  
13 **grantor** of a deed for the transfer of real property:

14 (1) that is classified pursuant to the requirements of  
15 N.J.A.C.18:12-2.2 as Class 2 "residential";

16 (2) (a) that includes property classified pursuant to the  
17 requirements of N.J.A.C.18:12-2.2 as Class 3A: "farm property  
18 (regular)" but only if the property includes a building or structure  
19 intended or suited for residential use, and

20 (b) any other real property, regardless of class, that is effectively  
21 transferred to the same grantee in conjunction with the property  
22 described in subparagraph (a) of this paragraph;

23 (3) that is a cooperative unit as defined in section 3 of P.L.1987,  
24 c.381 (C.46:8D-3); or

25 (4) that is classified pursuant to the requirements of  
26 N.J.A.C.18:12-2.2 as Class 4A "commercial **[properties]**" that is  
27 transferred for **properties.**"

28 The fee imposed upon the grantor of a deed for the transfer of  
29 real property pursuant to this subsection shall be in an amount equal  
30 to the following percentage of the entire amount of consideration  
31 recited in the deed: if the consideration is in excess of \$1,000,000  
32 **[recited in the deed]** but not in excess of \$2,000,000, [which fee  
33 shall be an amount equal to 1 ] one percent [of the entire amount of  
34 such consideration, which fee] ; if the consideration is in excess of  
35 \$2,000,000 but not in excess of \$2,500,000, two percent; if the  
36 consideration is in excess of \$2,500,000 but not in excess of  
37 \$3,000,000, two and one-half percent; if the consideration is in

**EXPLANATION – Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.**

**Matter underlined thus is new matter.**

1 excess of \$3,000,000 but not in excess of \$3,500,000, three percent;  
2 if the consideration is in excess of \$3,500,000, three and one-half  
3 percent. The fee imposed pursuant to this subsection shall be  
4 collected by the county recording officer at the time the deed is  
5 offered for recording and remitted to the State Treasurer not later  
6 than the 10th day of the month following the month of collection  
7 for deposit into the General Fund.

8 b. (1) The fee imposed by subsection a. of this section shall not  
9 apply to a deed if the grantee of the deed for the transfer of real  
10 property is an organization determined by the federal Internal  
11 Revenue Service to be exempt from federal income taxation  
12 pursuant to paragraph (3) of subsection (c) of section 501 of the  
13 federal Internal Revenue Code of 1986, 26 U.S.C. s.501.

14 (2) The fee imposed by subsection a. of this section shall not  
15 apply to a deed if the transfer of real property is incidental to a  
16 corporate merger or acquisition and the equalized assessed value of  
17 the real property transferred is less than **【20%】** 20 percent of the  
18 total value of all assets exchanged in the merger or acquisition. A  
19 **【grantee】** grantor shall claim this exemption from imposition of the  
20 fee at the time the deed is offered for recording by filing with the  
21 county recording officer such information, in addition to the  
22 affidavit of consideration filed by one or more of the **【grantee】**  
23 grantor parties named in the deed or by the **【grantee's】** grantor's  
24 legal representative pursuant to subsection d. of this section, as the  
25 Director of the Division of Taxation in the Department of the  
26 Treasury may prescribe as to constitute a filing of a protest of the  
27 assessment of the fee and by paying any other recording fees not  
28 exempted pursuant to this paragraph. This additional information  
29 shall be forwarded by the county recording officer to the director  
30 along with the **【grantee's】** grantor's affidavit of consideration, and  
31 shall be deemed to be and have the effect of a protest of a finding  
32 by the director of a deficiency of payment of the fee filed on the  
33 date on which the deed is recorded.

34 (3) The fee imposed by subsection a. of this section shall not  
35 apply to a deed if the transfer of real property is entered into on or  
36 after January 1, 2021 and is an intercompany transfer between  
37 combined group members as part of the unitary business, as those  
38 terms are used in section 4 of P.L.1945, c.162 (C.54:10A-4).

39 c. The fee imposed by subsection a. of this section shall be  
40 subject to the provisions of the State Uniform Tax Procedure Law,  
41 R.S.54:48-1 et seq.; provided however, that notwithstanding the  
42 provisions of subsection a. of R.S.54:49-14, a taxpayer may file a  
43 claim under oath for refund at any time within 90 days after the  
44 payment of any original fee and that subsection b. of R.S.54:49-14  
45 shall not apply to any additional fee assessed.

46 d. (1) If a transfer includes property classified pursuant to the  
47 requirements of N.J.A.C.18:12-2.2 as Class 4 property of any type,

1 an affidavit of consideration shall be filed by one or more of the  
2 grantor parties named in the deed or by the grantor's legal  
3 representative declaring the consideration and shall be annexed to  
4 and recorded with the deed as a prerequisite for the recording of the  
5 deed. The filing of an affidavit of consideration pursuant to this  
6 paragraph shall be in addition to the filing, if any, pursuant to  
7 paragraph (2) of this subsection.

8 (2) Whether or not the transfer is exempt, pursuant to subsection  
9 b. of this section or any other provision of law, from payment of the  
10 fee pursuant to subsection a. of this section, if a transfer includes  
11 property otherwise subject to subsection a. of this section, then an  
12 affidavit of consideration shall be filed by one or more of the  
13 **【grantee】 grantor** parties named in the deed or by the **【grantee's】**  
14 **grantor's** legal representative declaring the consideration and shall  
15 be annexed to and recorded with the deed as a prerequisite for the  
16 recording of the deed. The filing of an affidavit of consideration  
17 pursuant to this paragraph shall be in addition to the filing, if any,  
18 pursuant to paragraph (1) of this subsection.

19 (3) An affidavit of consideration filed pursuant to paragraph (1)  
20 or paragraph (2) of this subsection shall clearly and entirely state  
21 the consideration, the county and municipality in which the  
22 property is situate, and the block and lot description of the real  
23 property conveyed.

24 (4) One copy of each affidavit of consideration filed and  
25 recorded with deeds pursuant to this subsection shall be forwarded  
26 by the county recording officer to the Director of the Division of  
27 Taxation in the Department of the Treasury on the **【tenth】 10th** day  
28 of the month following the month of the filing of the deed.

29 (cf: P.L.2020, c.118, s.2)

30

31 2. Section 2 of P.L.2006, c.33 (C.46:15-7.4) is amended to read  
32 as follows:

33 2. Notwithstanding the provisions of section 8 of P.L.2004,  
34 c.66 (C.46:15-7.2), for the transfer of real property that was  
35 **【classified pursuant to the requirements of N.J.A.C.18:12-2.2 as**  
36 **Class 4A "commercial properties" at the time of the recording of the**  
37 **deed】 made for consideration in excess of \$1,000,000**, provided that  
38 the deed was recorded on or before November 15, **【2006】 2025**,  
39 and that was transferred pursuant to a contract that was fully  
40 executed before July **【1, 2006】 10, 2025**, **【the】 any fee in excess of**  
41 **one percent of consideration** imposed pursuant to section 8 of  
42 P.L.2004, c.66 (C.46:15-7.2) shall **【be】 have the difference between**  
43 **the amount in excess of one percent of consideration and one**  
44 **percent of consideration** refunded to the **【grantee】 grantor** by the  
45 filing, within one year following the date of the recording of the  
46 deed, of a claim with the New Jersey Division of Taxation for a  
47 refund of the fee paid. Proof of claim for refund shall be made by

1 the submission of such documentation as the Director of the  
2 Division of Taxation may require.

3 (cf: P.L.2006, c.33, s.2)

4

5 3. Section 3 of P.L.2006, c.33 (C.54:15C-1) is amended to read  
6 as follows:

7 3. a. (1) (a) There is imposed and shall be paid a tax upon the  
8 sale or transfer for consideration in excess of \$1,000,000 of a  
9 controlling interest in an entity which possesses, directly or  
10 indirectly, a controlling interest in classified real property, which  
11 shall be paid by the **[purchaser]** seller of the controlling interest  
12 and which shall be equal to **[1%]** a percent, as set forth in  
13 subparagraph (b) of this paragraph, of the consideration paid on the  
14 sale or transfer; provided however that in the case of the sale or  
15 transfer of a controlling interest in an entity which possesses,  
16 directly or indirectly, an interest in classified real property and an  
17 interest in other property, real or personal, there shall be paid a tax  
18 upon the sale only if the equalized assessed value of the classified  
19 real property exceeds \$1,000,000 which shall be paid by the  
20 **[purchaser]** seller of the controlling interest and which shall be  
21 equal to **[1%]** a percent, as set forth in subparagraph (b) of this  
22 paragraph, of that percentage of the equalized assessed value of the  
23 classified real property that is equal to the percentage of the  
24 ownership interest transferred.

25 (b) The tax imposed pursuant to this paragraph shall be in an  
26 amount equal to the following percentage of the consideration paid  
27 on the sale or transfer or the equalized assessed value of the  
28 classified real property, as applicable:

29 (i) if the consideration or equalized assessed value, as  
30 applicable, exceeds \$1,000,000, but is not in excess of \$2,000,000,  
31 one percent;

32 (ii) if the consideration or equalized assessed value, as  
33 applicable, exceeds \$2,000,000, but is not in excess of \$2,500,000,  
34 two percent;

35 (iii) if the consideration or equalized assessed value, as  
36 applicable, exceeds \$2,500,000, but is not in excess of \$3,000,000,  
37 two and one-half percent;

38 (iv) if the consideration or equalized assessed value, as  
39 applicable, exceeds \$3,000,000, but is not in excess of \$3,500,000,  
40 three percent; and

41 (v) if the consideration or equalized assessed value, as  
42 applicable, exceeds \$3,500,000, three and one-half percent.

43 (2) The sale or transfer of a controlling interest subject to  
44 taxation pursuant to paragraph (1) of this subsection may occur in  
45 one transaction or in a series of transactions. Transactions which  
46 occur within six months of each other are presumed, unless shown  
47 to the contrary, to be a series of transactions constituting a single  
48 sale or transfer.

1 Sale or transfer of a controlling interest subject to taxation  
2 pursuant to paragraph (1) of this subsection may be accomplished  
3 by one purchaser or may be made by a group of purchasers acting in  
4 concert. Purchasers who are related parties are presumed, unless  
5 shown to the contrary, to be acting in concert.

6 b. On or before the last day of the month following the month  
7 in which the sale or transfer of a controlling interest which is  
8 subject to the tax imposed by subsection a. of this section is  
9 completed, the **【purchaser】** seller shall file a return with the  
10 director, in such form as the director may prescribe. Payment of the  
11 tax shall accompany the return.

12 c. The tax imposed by subsection a. of this section shall not  
13 apply to any sale or transfer:

14 (1) by or to the United States of America, this State, or any  
15 instrumentality, agency, or subdivision thereof;

16 (2) to a purchaser that is an organization determined by the  
17 federal Internal Revenue Service to be exempt from federal income  
18 taxation pursuant to paragraph (3) of subsection (c) of section 501  
19 of the federal Internal Revenue Code of 1986, 26 U.S.C. s.501;

20 (3) having the underlying characteristics of the transactions  
21 enumerated in section 6 of P.L.1968, c.49 (C.46:15-10);

22 (4) that is subject to the fee imposed tax pursuant to section 8 of  
23 P.L.2004, c.66 (C.46:15-7.2);

24 (5) that is incidental to a corporate merger or acquisition if the  
25 equalized assessed value of the real property transferred is less than  
26 **【20%】** 20 percent of the total value of all assets exchanged in the  
27 merger or acquisition; or

28 (6) entered into on and after January 1, 2021 if it is an  
29 intercompany transfer between combined group members as part of  
30 the unitary business, as those terms are used in section 4 of  
31 P.L.1945, c.162 (C.54:10A-4).

32 d. Notwithstanding the provisions of subsection a. of this  
33 section, the transfer of a controlling interest on or before November  
34 15, **【2006】** 2025 in an entity which possesses, directly or indirectly,  
35 an interest in classified real property shall **【not】** be subject to tax  
36 equal to one percent of the consideration over \$1,000,000 if the  
37 interest was transferred pursuant to a contract or other binding  
38 agreement that was fully executed before July **【1, 2006】** 10, 2025.

39 e. (1) The director may require all **【purchasers】** sellers subject to  
40 a tax imposed under this section to keep such records as the director  
41 may prescribe, and the director may require the production of  
42 books, papers, documents and other data, to provide or secure  
43 information pertinent to the determination of the taxes imposed by  
44 this section and the enforcement and collection thereof.

45 (2) An entity with respect to which there is a sale or transfer of a  
46 controlling interest in that entity, shall keep a record of every  
47 transfer of a controlling interest in its stock or in its capital, profits

1 or beneficial interests, as the case may be, and such other  
2 information as the director may prescribe. An entity shall report  
3 that information to the director in such form and at such times as  
4 the director may prescribe.

5 (3) The director may examine the books, papers, records and  
6 equipment of an entity with respect to which there is a sale or  
7 transfer of a controlling interest in that entity or of a **【purchaser】**  
8 seller liable under the provisions of this section.

9 (4) The director shall collect and administer the tax imposed  
10 pursuant to this section. The director is authorized to adopt rules  
11 and regulations to effectuate the purposes of this section pursuant to  
12 the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et  
13 seq.).

14 (5) The director may extend, for cause shown by general  
15 regulation or individual authorization, the time of filing any return  
16 on such terms and conditions as the director may require, and may,  
17 for cause shown, remit or waive penalties and interest as provided  
18 for in the State Uniform Tax Procedure Law, R.S.54:48-1 et seq.

19 (6) The director may delegate the director's functions hereunder  
20 to any officer or employee of the director's division such of the  
21 director's powers as the director may deem necessary to carry out  
22 efficiently the provisions of this section.

23 f. The tax imposed pursuant to this section shall be governed  
24 by the provisions of the State Uniform Tax Procedure Law,  
25 R.S.54:48-1 et seq.

26 g. As used in this section:

27 "Classified real property" means property that is classified  
28 pursuant to the requirements of N.J.A.C.18:12-2.2 as Class 4A  
29 "commercial properties".

30 **【"Director" means the Director of the Division of Taxation in the  
31 Department of the Treasury.】**

32 "Consideration" means the actual amount of money and the  
33 monetary value of any other thing of value constituting the entire  
34 compensation paid or to be paid for the transfer including the  
35 remaining amount of any prior mortgage to which the transfer is  
36 subject or which is to be assumed and agreed to be paid by the  
37 purchaser.

38 "Controlling interest" means, in the case of an entity that is a  
39 corporation, more than **【fifty per cent】** 50 percent of the total  
40 combined voting power of all classes of stock of that corporation,  
41 and in the case of an entity that is a partnership, association, trust or  
42 other organization, more than **【fifty per cent】** 50 percent of the  
43 beneficial ownership of classified real property of that partnership,  
44 association, trust or other organization.

45 "Director" means the Director of the Division of Taxation in the  
46 Department of the Treasury.

1 "Related parties" means parties that have the relationship  
2 necessary for attribution of constructive ownership of stock  
3 pursuant to section 318 of the federal Internal Revenue Code of  
4 1986, 26 U.S.C. s.318, and members of an affiliated group or a  
5 controlled group pursuant to section 1504 or 1563 of the federal  
6 Internal Revenue Code of 1986, 26 U.S.C. s.1504 or 1563.  
7 (cf: P.L.2020, c.118, s.13)

8  
9 4. Section 2 of P.L.2005, c.19 (C.46:15-7.3) is repealed.

10  
11 5. This act shall take effect immediately and shall apply to  
12 transfers of real property or controlling interests occurring on or  
13 after July 10, 2025.

14  
15  
16 STATEMENT

17  
18 This bill increases the amount of the additional taxes and fees  
19 imposed on certain transfers of real property for over \$2 million in  
20 consideration. The bill also provides that the seller, rather than the  
21 buyer, is responsible for the payment of both the additional fee and  
22 the controlling interest transfer tax imposed on certain transfers of  
23 real property valued at over \$1 million.

24 Currently, an additional fee is imposed on the buyer of various  
25 categories of real property, including residential property,  
26 commercial property, certain farm property, and cooperative units,  
27 for consideration in excess of \$1 million, as recited in the deed.  
28 The State also imposes a controlling interest transfer tax on certain  
29 non-deed transfers of commercial property that are not subject to  
30 this additional fee. The controlling interest transfer tax is imposed  
31 on the purchaser of a controlling interest in an entity that directly or  
32 indirectly owns certain commercial property, provided that the  
33 consideration paid to acquire the interest exceeds \$1 million. In  
34 both cases, the additional fee and controlling interest transfer tax  
35 are generally imposed in an amount equal to one percent of the  
36 consideration paid to acquire the transferred property or interest.

37 This bill increases the amount of the additional fee and the  
38 controlling interest transfer tax in accordance with the following  
39 percentages of the consideration received for certain transferred  
40 properties or controlling interests: two percent for transfers over \$2  
41 million but not more than \$2.5 million; two and one-half percent for  
42 transfers over \$2.5 million but not more than \$3 million; three  
43 percent for transfers over \$3 million but not more than \$3.5 million;  
44 and three and one-half percent for transfers over \$3.5 million.

45 Additionally, this bill amends current law to provide that the  
46 seller, rather than the buyer, is responsible for the payment of the  
47 additional fee and controlling interest transfer tax.

1       The bill also permits certain sellers to apply to the Director of  
2 the Division of Taxation for a refund of additional fee amounts paid  
3 in excess of one percent of the consideration. Specifically, a seller  
4 is eligible for a refund, upon submission of any required  
5 documentation, for any fee imposed in excess of one percent of the  
6 consideration for a transfer of real property made for consideration  
7 in excess of \$1 million which is recorded on or before November  
8 15, 2025 and transferred pursuant to a contract that was fully  
9 executed before July 10, 2025.

10

11

12

13

14       Modifies payer of additional fees and taxes imposed on certain  
15 real property transfers; modifies fees and taxes imposed on property  
16 transfers valued over \$2 million.

## CHAPTER 69

**AN ACT** concerning the additional fees and taxes on certain transfers of real property for over \$1 million, amending P.L.2004, c.66 and P.L.2006, c.33, and repealing section 2 of P.L.2005, c.19.

**BE IT ENACTED** by the Senate and General Assembly of the State of New Jersey:

1. Section 8 of P.L.2004, c.66 (C.46:15-7.2) is amended to read as follows:

C.46:15-7.2 Additional fee on certain transfers of real property.

8. a. In addition to all other fees imposed under P.L.1968, c.49 (C.46:15-5 et seq.), there is imposed a fee upon the grantor of a deed for the transfer of real property:

(1) that is classified pursuant to the requirements of N.J.A.C.18:12-2.2 as Class 2 "residential";

(2) (a) that includes property classified pursuant to the requirements of N.J.A.C.18:12-2.2 as Class 3A: "farm property (regular)" but only if the property includes a building or structure intended or suited for residential use, and

(b) any other real property, regardless of class, that is effectively transferred to the same grantee in conjunction with the property described in subparagraph (a) of this paragraph;

(3) that is a cooperative unit as defined in section 3 of P.L.1987, c.381 (C.46:8D-3); or

(4) that is classified pursuant to the requirements of N.J.A.C.18:12-2.2 as Class 4A "commercial properties."

The fee imposed upon the grantor of a deed for the transfer of real property pursuant to this subsection shall be in an amount equal to the following percentage of the entire amount of consideration recited in the deed: if the consideration is in excess of \$1,000,000 but not in excess of \$2,000,000, one percent; if the consideration is in excess of \$2,000,000 but not in excess of \$2,500,000, two percent; if the consideration is in excess of \$2,500,000 but not in excess of \$3,000,000, two and one-half percent; if the consideration is in excess of \$3,000,000 but not in excess of \$3,500,000, three percent; if the consideration is in excess of \$3,500,000, three and one-half percent. The fee imposed pursuant to this subsection shall be collected by the county recording officer at the time the deed is offered for recording and remitted to the State Treasurer not later than the 10th day of the month following the month of collection for deposit into the General Fund.

b. (1) The fee imposed by subsection a. of this section shall not apply to a deed if the grantee of the deed for the transfer of real property is an organization determined by the federal Internal Revenue Service to be exempt from federal income taxation pursuant to paragraph (3) of subsection (c) of section 501 of the federal Internal Revenue Code of 1986, 26 U.S.C. s.501.

(2) The fee imposed by subsection a. of this section shall not apply to a deed if the transfer of real property is incidental to a corporate merger or acquisition and the equalized assessed value of the real property transferred is less than 20 percent of the total value of all assets exchanged in the merger or acquisition. A grantor shall claim this exemption from imposition of the fee at the time the deed is offered for recording by filing with the county recording officer such information, in addition to the affidavit of consideration filed by one or more of the grantor parties named in the deed or by the grantor's legal representative pursuant to subsection d. of this section, as the Director of the Division of Taxation in the Department of the Treasury may prescribe as to constitute a filing of a protest of the assessment of the fee and by paying any other recording fees not exempted pursuant to this paragraph. This additional information shall be forwarded by the county recording officer to the director along

with the grantor's affidavit of consideration, and shall be deemed to be and have the effect of a protest of a finding by the director of a deficiency of payment of the fee filed on the date on which the deed is recorded.

(3) The fee imposed by subsection a. of this section shall not apply to a deed if the transfer of real property is entered into on or after January 1, 2021 and is an intercompany transfer between combined group members as part of the unitary business, as those terms are used in section 4 of P.L.1945, c.162 (C.54:10A-4).

c. The fee imposed by subsection a. of this section shall be subject to the provisions of the State Uniform Tax Procedure Law, R.S.54:48-1 et seq., provided, however, that notwithstanding the provisions of subsection a. of R.S.54:49-14, a taxpayer may file a claim under oath for refund at any time within 90 days after the payment of any original fee and that subsection b. of R.S.54:49-14 shall not apply to any additional fee assessed.

d. (1) If a transfer includes property classified pursuant to the requirements of N.J.A.C.18:12-2.2 as Class 4 property of any type, an affidavit of consideration shall be filed by one or more of the grantor parties named in the deed or by the grantor's legal representative declaring the consideration and shall be annexed to and recorded with the deed as a prerequisite for the recording of the deed. The filing of an affidavit of consideration pursuant to this paragraph shall be in addition to the filing, if any, pursuant to paragraph (2) of this subsection.

(2) Whether or not the transfer is exempt, pursuant to subsection b. of this section or any other provision of law, from payment of the fee pursuant to subsection a. of this section, if a transfer includes property otherwise subject to subsection a. of this section, then an affidavit of consideration shall be filed by one or more of the grantor parties named in the deed or by the grantor's legal representative declaring the consideration and shall be annexed to and recorded with the deed as a prerequisite for the recording of the deed. The filing of an affidavit of consideration pursuant to this paragraph shall be in addition to the filing, if any, pursuant to paragraph (1) of this subsection.

(3) An affidavit of consideration filed pursuant to paragraph (1) or paragraph (2) of this subsection shall clearly and entirely state the consideration, the county and municipality in which the property is situate, and the block and lot description of the real property conveyed.

(4) One copy of each affidavit of consideration filed and recorded with deeds pursuant to this subsection shall be forwarded by the county recording officer to the Director of the Division of Taxation in the Department of the Treasury on the 10th day of the month following the month of the filing of the deed.

2. Section 2 of P.L.2006, c.33 (C.46:15-7.4) is amended to read as follows:

C.46:15-7.4 Refunding of fee on certain property transfers.

2. Notwithstanding the provisions of section 8 of P.L.2004, c.66 (C.46:15-7.2), for the transfer of real property that was made for consideration in excess of \$1,000,000, provided that the deed was recorded on or before November 15, 2025, and that was transferred pursuant to a contract that was fully executed before July 10, 2025, any fee in excess of one percent of consideration imposed pursuant to section 8 of P.L.2004, c.66 (C.46:15-7.2) shall have the difference between the amount in excess of one percent of consideration and one percent of consideration refunded to the grantor by the filing, within one year following the date of the recording of the deed, of a claim with the New Jersey Division of Taxation for a refund of the fee paid. Proof of claim for refund shall be made by the submission of such documentation as the Director of the Division of Taxation may require.

3. Section 3 of P.L.2006, c.33 (C.54:15C-1) is amended to read as follows:

C.54:15C-1 Tax on transfer of controlling interest in certain commercial property.

3. a. (1) (a) There is imposed and shall be paid a tax upon the sale or transfer for consideration in excess of \$1,000,000 of a controlling interest in an entity which possesses, directly or indirectly, a controlling interest in classified real property, which shall be paid by the seller of the controlling interest and which shall be equal to a percent, as set forth in subparagraph (b) of this paragraph, of the consideration paid on the sale or transfer, provided, however, that in the case of the sale or transfer of a controlling interest in an entity which possesses, directly or indirectly, an interest in classified real property and an interest in other property, real or personal, there shall be paid a tax upon the sale only if the equalized assessed value of the classified real property exceeds \$1,000,000 which shall be paid by the seller of the controlling interest and which shall be equal to a percent, as set forth in subparagraph (b) of this paragraph, of that percentage of the equalized assessed value of the classified real property that is equal to the percentage of the ownership interest transferred.

(b) The tax imposed pursuant to this paragraph shall be in an amount equal to the following percentage of the consideration paid on the sale or transfer or the equalized assessed value of the classified real property, as applicable:

(i) if the consideration or equalized assessed value, as applicable, exceeds \$1,000,000, but is not in excess of \$2,000,000, one percent;

(ii) if the consideration or equalized assessed value, as applicable, exceeds \$2,000,000, but is not in excess of \$2,500,000, two percent;

(iii) if the consideration or equalized assessed value, as applicable, exceeds \$2,500,000, but is not in excess of \$3,000,000, two and one-half percent;

(iv) if the consideration or equalized assessed value, as applicable, exceeds \$3,000,000, but is not in excess of \$3,500,000, three percent; and

(v) if the consideration or equalized assessed value, as applicable, exceeds \$3,500,000, three and one-half percent.

(2) The sale or transfer of a controlling interest subject to taxation pursuant to paragraph (1) of this subsection may occur in one transaction or in a series of transactions. Transactions which occur within six months of each other are presumed, unless shown to the contrary, to be a series of transactions constituting a single sale or transfer.

Sale or transfer of a controlling interest subject to taxation pursuant to paragraph (1) of this subsection may be accomplished by one purchaser or may be made by a group of purchasers acting in concert. Purchasers who are related parties are presumed, unless shown to the contrary, to be acting in concert.

b. On or before the last day of the month following the month in which the sale or transfer of a controlling interest which is subject to the tax imposed by subsection a. of this section is completed, the seller shall file a return with the director, in such form as the director may prescribe. Payment of the tax shall accompany the return.

c. The tax imposed by subsection a. of this section shall not apply to any sale or transfer:

(1) by or to the United States of America, this State, or any instrumentality, agency, or subdivision thereof;

(2) to a purchaser that is an organization determined by the federal Internal Revenue Service to be exempt from federal income taxation pursuant to paragraph (3) of subsection (c) of section 501 of the federal Internal Revenue Code of 1986, 26 U.S.C. s.501;

(3) having the underlying characteristics of the transactions enumerated in section 6 of P.L.1968, c.49 (C.46:15-10);

(4) that is subject to the fee imposed tax pursuant to section 8 of P.L.2004, c.66 (C.46:15-7.2);

(5) that is incidental to a corporate merger or acquisition if the equalized assessed value of the real property transferred is less than 20 percent of the total value of all assets exchanged in the merger or acquisition; or

(6) entered into on and after January 1, 2021 if it is an intercompany transfer between combined group members as part of the unitary business, as those terms are used in section 4 of P.L.1945, c.162 (C.54:10A-4).

d. Notwithstanding the provisions of subsection a. of this section, the transfer of a controlling interest on or before November 15, 2025 in an entity which possesses, directly or indirectly, an interest in classified real property shall be subject to tax equal to one percent of the consideration over \$1,000,000 if the interest was transferred pursuant to a contract or other binding agreement that was fully executed before July 10, 2025.

e. (1) The director may require all sellers subject to a tax imposed under this section to keep such records as the director may prescribe, and the director may require the production of books, papers, documents, and other data to provide or secure information pertinent to the determination of the taxes imposed by this section and the enforcement and collection thereof.

(2) An entity with respect to which there is a sale or transfer of a controlling interest in that entity, shall keep a record of every transfer of a controlling interest in its stock or in its capital, profits, or beneficial interests, as the case may be, and such other information as the director may prescribe. An entity shall report that information to the director in such form and at such times as the director may prescribe.

(3) The director may examine the books, papers, records, and equipment of an entity with respect to which there is a sale or transfer of a controlling interest in that entity or of a seller liable under the provisions of this section.

(4) The director shall collect and administer the tax imposed pursuant to this section. The director is authorized to adopt rules and regulations to effectuate the purposes of this section pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.).

(5) The director may extend, for cause shown by general regulation or individual authorization, the time of filing any return on such terms and conditions as the director may require, and may, for cause shown, remit or waive penalties and interest as provided for in the State Uniform Tax Procedure Law, R.S.54:48-1 et seq.

(6) The director may delegate the director's functions hereunder to any officer or employee of the director's division such of the director's powers as the director may deem necessary to carry out efficiently the provisions of this section.

f. The tax imposed pursuant to this section shall be governed by the provisions of the State Uniform Tax Procedure Law, R.S.54:48-1 et seq.

g. As used in this section:

"Classified real property" means property that is classified pursuant to the requirements of N.J.A.C.18:12-2.2 as Class 4A "commercial properties".

"Consideration" means the actual amount of money and the monetary value of any other thing of value constituting the entire compensation paid or to be paid for the transfer, including the remaining amount of any prior mortgage to which the transfer is subject or which is to be assumed and agreed to be paid by the purchaser.

"Controlling interest" means, in the case of an entity that is a corporation, more than 50 percent of the total combined voting power of all classes of stock of that corporation, and in the case of an entity that is a partnership, association, trust or other organization, more than 50 percent of the beneficial ownership of classified real property of that partnership, association, trust or other organization.

"Director" means the Director of the Division of Taxation in the Department of the Treasury.

"Related parties" means parties that have the relationship necessary for attribution of constructive ownership of stock pursuant to section 318 of the federal Internal Revenue Code of 1986, 26 U.S.C. s.318, and members of an affiliated group or a controlled group pursuant to section 1504 or 1563 of the federal Internal Revenue Code of 1986, 26 U.S.C. s.1504 or 1563.

Repealer.

4. Section 2 of P.L.2005, c.19 (C.46:15-7.3) is repealed.

5. This act shall take effect immediately and shall apply to transfers of real property or controlling interests occurring on or after July 10, 2025.

Approved June 30, 2025.

# ASSEMBLY, No. 5804

## STATE OF NEW JERSEY

### 221st LEGISLATURE

INTRODUCED JUNE 26, 2025

**Sponsored by:**

**Assemblywoman VERLINA REYNOLDS-JACKSON**

**District 15 (Hunterdon and Mercer)**

**Senator BENJIE E. WIMBERLY**

**District 35 (Bergen and Passaic)**

**SYNOPSIS**

Modifies payer of additional fees and taxes imposed on certain real property transfers; modifies fees and taxes imposed on property transfers valued over \$2 million.

**CURRENT VERSION OF TEXT**

As introduced.



(Sponsorship Updated As Of: 6/30/2025)

A5804 REYNOLDS-JACKSON

2

1 AN ACT concerning the additional fees and taxes on certain  
2 transfers of real property for over \$1 million, amending  
3 P.L.2004, c.66 and P.L.2006, c.33, and repealing section 2 of  
4 P.L.2005, c.19.

5

6 **BE IT ENACTED** by the Senate and General Assembly of the State  
7 of New Jersey:

8

9 1. Section 8 of P.L.2004, c.66 (C.46:15-7.2) is amended to read  
10 as follows:

11 8. a. In addition to all other fees imposed under P.L.1968, c.49  
12 (C.46:15-5 et seq.), there is imposed a fee upon the **[grantee]**  
13 grantor of a deed for the transfer of real property:

14 (1) that is classified pursuant to the requirements of  
15 N.J.A.C.18:12-2.2 as Class 2 "residential";

16 (2) (a) that includes property classified pursuant to the  
17 requirements of N.J.A.C.18:12-2.2 as Class 3A: "farm property  
18 (regular)" but only if the property includes a building or structure  
19 intended or suited for residential use, and

20 (b) any other real property, regardless of class, that is effectively  
21 transferred to the same grantee in conjunction with the property  
22 described in subparagraph (a) of this paragraph;

23 (3) that is a cooperative unit as defined in section 3 of P.L.1987,  
24 c.381 (C.46:8D-3); or

25 (4) that is classified pursuant to the requirements of  
26 N.J.A.C.18:12-2.2 as Class 4A "commercial **[properties]** that is  
27 transferred for **[properties]**."

28 The fee imposed upon the grantor of a deed for the transfer of  
29 real property pursuant to this subsection shall be in an amount equal  
30 to the following percentage of the entire amount of consideration  
31 recited in the deed: if the consideration is in excess of \$1,000,000  
32 **[recited in the deed]** but not in excess of \$2,000,000, **[**which fee  
33 shall be an amount equal to 1 **]** one percent **[**of the entire amount of  
34 such consideration, which fee **]** ; if the consideration is in excess of  
35 \$2,000,000 but not in excess of \$2,500,000, two percent; if the  
36 consideration is in excess of \$2,500,000 but not in excess of  
37 \$3,000,000, two and one-half percent; if the consideration is in  
38 excess of \$3,000,000 but not in excess of \$3,500,000, three percent;  
39 if the consideration is in excess of \$3,500,000, three and one-half  
40 percent. The fee imposed pursuant to this subsection shall be  
41 collected by the county recording officer at the time the deed is  
42 offered for recording and remitted to the State Treasurer not later  
43 than the 10th day of the month following the month of collection  
44 for deposit into the General Fund.

**EXPLANATION** – Matter enclosed in bold-faced brackets **[thus]** in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

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1       b. (1) The fee imposed by subsection a. of this section shall not  
2 apply to a deed if the grantee of the deed for the transfer of real  
3 property is an organization determined by the federal Internal  
4 Revenue Service to be exempt from federal income taxation  
5 pursuant to paragraph (3) of subsection (c) of section 501 of the  
6 federal Internal Revenue Code of 1986, 26 U.S.C. s.501.

7       (2) The fee imposed by subsection a. of this section shall not  
8 apply to a deed if the transfer of real property is incidental to a  
9 corporate merger or acquisition and the equalized assessed value of  
10 the real property transferred is less than **【20%】** 20 percent of the  
11 total value of all assets exchanged in the merger or acquisition. A  
12 **【grantee】** grantor shall claim this exemption from imposition of the  
13 fee at the time the deed is offered for recording by filing with the  
14 county recording officer such information, in addition to the  
15 affidavit of consideration filed by one or more of the **【grantee】**  
16 grantor parties named in the deed or by the **【grantee's】** grantor's  
17 legal representative pursuant to subsection d. of this section, as the  
18 Director of the Division of Taxation in the Department of the  
19 Treasury may prescribe as to constitute a filing of a protest of the  
20 assessment of the fee and by paying any other recording fees not  
21 exempted pursuant to this paragraph. This additional information  
22 shall be forwarded by the county recording officer to the director  
23 along with the **【grantee's】** grantor's affidavit of consideration, and  
24 shall be deemed to be and have the effect of a protest of a finding  
25 by the director of a deficiency of payment of the fee filed on the  
26 date on which the deed is recorded.

27       (3) The fee imposed by subsection a. of this section shall not  
28 apply to a deed if the transfer of real property is entered into on or  
29 after January 1, 2021 and is an intercompany transfer between  
30 combined group members as part of the unitary business, as those  
31 terms are used in section 4 of P.L.1945, c.162 (C.54:10A-4).

32       c. The fee imposed by subsection a. of this section shall be  
33 subject to the provisions of the State Uniform Tax Procedure Law,  
34 R.S.54:48-1 et seq.; provided however, that notwithstanding the  
35 provisions of subsection a. of R.S.54:49-14, a taxpayer may file a  
36 claim under oath for refund at any time within 90 days after the  
37 payment of any original fee and that subsection b. of R.S.54:49-14  
38 shall not apply to any additional fee assessed.

39       d. (1) If a transfer includes property classified pursuant to the  
40 requirements of N.J.A.C.18:12-2.2 as Class 4 property of any type,  
41 an affidavit of consideration shall be filed by one or more of the  
42 grantor parties named in the deed or by the grantor's legal  
43 representative declaring the consideration and shall be annexed to  
44 and recorded with the deed as a prerequisite for the recording of the  
45 deed. The filing of an affidavit of consideration pursuant to this  
46 paragraph shall be in addition to the filing, if any, pursuant to  
47 paragraph (2) of this subsection.

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1 (2) Whether or not the transfer is exempt, pursuant to subsection  
2 b. of this section or any other provision of law, from payment of the  
3 fee pursuant to subsection a. of this section, if a transfer includes  
4 property otherwise subject to subsection a. of this section, then an  
5 affidavit of consideration shall be filed by one or more of the  
6 **【grantee】 grantor** parties named in the deed or by the **【grantee's】**  
7 **grantor's** legal representative declaring the consideration and shall  
8 be annexed to and recorded with the deed as a prerequisite for the  
9 recording of the deed. The filing of an affidavit of consideration  
10 pursuant to this paragraph shall be in addition to the filing, if any,  
11 pursuant to paragraph (1) of this subsection.

12 (3) An affidavit of consideration filed pursuant to paragraph (1)  
13 or paragraph (2) of this subsection shall clearly and entirely state  
14 the consideration, the county and municipality in which the  
15 property is situate, and the block and lot description of the real  
16 property conveyed.

17 (4) One copy of each affidavit of consideration filed and  
18 recorded with deeds pursuant to this subsection shall be forwarded  
19 by the county recording officer to the Director of the Division of  
20 Taxation in the Department of the Treasury on the **【tenth】 10th** day  
21 of the month following the month of the filing of the deed.  
22 (cf: P.L.2020, c.118, s.2)

23  
24 2. Section 2 of P.L.2006, c.33 (C.46:15-7.4) is amended to read  
25 as follows:

26 2. Notwithstanding the provisions of section 8 of P.L.2004,  
27 c.66 (C.46:15-7.2), for the transfer of real property that was  
28 **【classified pursuant to the requirements of N.J.A.C.18:12-2.2 as**  
29 **Class 4A "commercial properties" at the time of the recording of the**  
30 **deed】 made for consideration in excess of \$1,000,000**, provided that  
31 the deed was recorded on or before November 15, **【2006】 2025**,  
32 and that was transferred pursuant to a contract that was fully  
33 executed before July **【1, 2006】 10, 2025**, **【the】 any fee in excess of**  
34 **one percent of consideration** imposed pursuant to section 8 of  
35 P.L.2004, c.66 (C.46:15-7.2) shall **【be】 have the difference between**  
36 **the amount in excess of one percent of consideration and one**  
37 **percent of consideration** refunded to the **【grantee】 grantor** by the  
38 filing, within one year following the date of the recording of the  
39 deed, of a claim with the New Jersey Division of Taxation for a  
40 refund of the fee paid. Proof of claim for refund shall be made by  
41 the submission of such documentation as the Director of the  
42 Division of Taxation may require.

43 (cf: P.L.2006, c.33, s.2)

44  
45 3. Section 3 of P.L.2006, c.33 (C.54:15C-1) is amended to read  
46 as follows:

1       3. a. (1) (a) There is imposed and shall be paid a tax upon the  
2 sale or transfer for consideration in excess of \$1,000,000 of a  
3 controlling interest in an entity which possesses, directly or  
4 indirectly, a controlling interest in classified real property, which  
5 shall be paid by the **[purchaser]** seller of the controlling interest  
6 and which shall be equal to **[1%]** a percent, as set forth in  
7 subparagraph (b) of this paragraph, of the consideration paid on the  
8 sale or transfer; provided however that in the case of the sale or  
9 transfer of a controlling interest in an entity which possesses,  
10 directly or indirectly, an interest in classified real property and an  
11 interest in other property, real or personal, there shall be paid a tax  
12 upon the sale only if the equalized assessed value of the classified  
13 real property exceeds \$1,000,000 which shall be paid by the  
14 **[purchaser]** seller of the controlling interest and which shall be  
15 equal to **[1%]** a percent, as set forth in subparagraph (b) of this  
16 paragraph, of that percentage of the equalized assessed value of the  
17 classified real property that is equal to the percentage of the  
18 ownership interest transferred.

19       (b) The tax imposed pursuant to this paragraph shall be in an  
20 amount equal to the following percentage of the consideration paid  
21 on the sale or transfer or the equalized assessed value of the  
22 classified real property, as applicable:

23       (i) if the consideration or equalized assessed value, as  
24 applicable, exceeds \$1,000,000, but is not in excess of \$2,000,000,  
25 one percent;

26       (ii) if the consideration or equalized assessed value, as  
27 applicable, exceeds \$2,000,000, but is not in excess of \$2,500,000,  
28 two percent;

29       (iii) if the consideration or equalized assessed value, as  
30 applicable, exceeds \$2,500,000, but is not in excess of \$3,000,000,  
31 two and one-half percent;

32       (iv) if the consideration or equalized assessed value, as  
33 applicable, exceeds \$3,000,000, but is not in excess of \$3,500,000,  
34 three percent; and

35       (v) if the consideration or equalized assessed value, as  
36 applicable, exceeds \$3,500,000, three and one-half percent.

37       (2) The sale or transfer of a controlling interest subject to  
38 taxation pursuant to paragraph (1) of this subsection may occur in  
39 one transaction or in a series of transactions. Transactions which  
40 occur within six months of each other are presumed, unless shown  
41 to the contrary, to be a series of transactions constituting a single  
42 sale or transfer.

43       Sale or transfer of a controlling interest subject to taxation  
44 pursuant to paragraph (1) of this subsection may be accomplished  
45 by one purchaser or may be made by a group of purchasers acting in  
46 concert. Purchasers who are related parties are presumed, unless  
47 shown to the contrary, to be acting in concert.

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6

1       b. On or before the last day of the month following the month  
2 in which the sale or transfer of a controlling interest which is  
3 subject to the tax imposed by subsection a. of this section is  
4 completed, the **【purchaser】** seller shall file a return with the  
5 director, in such form as the director may prescribe. Payment of the  
6 tax shall accompany the return.

7       c. The tax imposed by subsection a. of this section shall not  
8 apply to any sale or transfer:

9       (1) by or to the United States of America, this State, or any  
10 instrumentality, agency, or subdivision thereof;

11       (2) to a purchaser that is an organization determined by the  
12 federal Internal Revenue Service to be exempt from federal income  
13 taxation pursuant to paragraph (3) of subsection (c) of section 501  
14 of the federal Internal Revenue Code of 1986, 26 U.S.C. s.501;

15       (3) having the underlying characteristics of the transactions  
16 enumerated in section 6 of P.L.1968, c.49 (C.46:15-10);

17       (4) that is subject to the fee imposed tax pursuant to section 8 of  
18 P.L.2004, c.66 (C.46:15-7.2);

19       (5) that is incidental to a corporate merger or acquisition if the  
20 equalized assessed value of the real property transferred is less than  
21 **【20%】** 20 percent of the total value of all assets exchanged in the  
22 merger or acquisition; or

23       (6) entered into on and after January 1, 2021 if it is an  
24 intercompany transfer between combined group members as part of  
25 the unitary business, as those terms are used in section 4 of  
26 P.L.1945, c.162 (C.54:10A-4).

27       d. Notwithstanding the provisions of subsection a. of this  
28 section, the transfer of a controlling interest on or before November  
29 15, **【2006】** 2025 in an entity which possesses, directly or indirectly,  
30 an interest in classified real property shall **【not】** be subject to tax  
31 equal to one percent of the consideration over \$1,000,000 if the  
32 interest was transferred pursuant to a contract or other binding  
33 agreement that was fully executed before July **【1, 2006】** 10, 2025.

34       e. (1) The director may require all **【purchasers】** sellers subject to  
35 a tax imposed under this section to keep such records as the director  
36 may prescribe, and the director may require the production of  
37 books, papers, documents and other data, to provide or secure  
38 information pertinent to the determination of the taxes imposed by  
39 this section and the enforcement and collection thereof.

40       (2) An entity with respect to which there is a sale or transfer of a  
41 controlling interest in that entity, shall keep a record of every  
42 transfer of a controlling interest in its stock or in its capital, profits  
43 or beneficial interests, as the case may be, and such other  
44 information as the director may prescribe. An entity shall report  
45 that information to the director in such form and at such times as  
46 the director may prescribe.

1 (3) The director may examine the books, papers, records and  
2 equipment of an entity with respect to which there is a sale or  
3 transfer of a controlling interest in that entity or of a **【purchaser】**  
4 seller liable under the provisions of this section.

5 (4) The director shall collect and administer the tax imposed  
6 pursuant to this section. The director is authorized to adopt rules  
7 and regulations to effectuate the purposes of this section pursuant to  
8 the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et  
9 seq.).

10 (5) The director may extend, for cause shown by general  
11 regulation or individual authorization, the time of filing any return  
12 on such terms and conditions as the director may require, and may,  
13 for cause shown, remit or waive penalties and interest as provided  
14 for in the State Uniform Tax Procedure Law, R.S.54:48-1 et seq.

15 (6) The director may delegate the director's functions hereunder  
16 to any officer or employee of the director's division such of the  
17 director's powers as the director may deem necessary to carry out  
18 efficiently the provisions of this section.

19 f. The tax imposed pursuant to this section shall be governed  
20 by the provisions of the State Uniform Tax Procedure Law,  
21 R.S.54:48-1 et seq.

22 g. As used in this section:

23 "Classified real property" means property that is classified  
24 pursuant to the requirements of N.J.A.C.18:12-2.2 as Class 4A  
25 "commercial properties".

26 **【"Director" means the Director of the Division of Taxation in the  
27 Department of the Treasury.】**

28 "Consideration" means the actual amount of money and the  
29 monetary value of any other thing of value constituting the entire  
30 compensation paid or to be paid for the transfer including the  
31 remaining amount of any prior mortgage to which the transfer is  
32 subject or which is to be assumed and agreed to be paid by the  
33 purchaser.

34 "Controlling interest" means, in the case of an entity that is a  
35 corporation, more than **【fifty per cent】** 50 percent of the total  
36 combined voting power of all classes of stock of that corporation,  
37 and in the case of an entity that is a partnership, association, trust or  
38 other organization, more than **【fifty per cent】** 50 percent of the  
39 beneficial ownership of classified real property of that partnership,  
40 association, trust or other organization.

41 "Director" means the Director of the Division of Taxation in the  
42 Department of the Treasury.

43 "Related parties" means parties that have the relationship  
44 necessary for attribution of constructive ownership of stock  
45 pursuant to section 318 of the federal Internal Revenue Code of  
46 1986, 26 U.S.C. s.318, and members of an affiliated group or a

1 controlled group pursuant to section 1504 or 1563 of the federal  
2 Internal Revenue Code of 1986, 26 U.S.C. s.1504 or 1563.

3 (cf: P.L.2020, c.118, s.13)

4  
5 4. Section 2 of P.L.2005, c.19 (C.46:15-7.3) is repealed.

6  
7 5. This act shall take effect immediately and shall apply to  
8 transfers of real property or controlling interests occurring on or  
9 after July 10, 2025.

10  
11  
12 STATEMENT

13  
14 This bill increases the amount of the additional taxes and fees  
15 imposed on certain transfers of real property for over \$2 million in  
16 consideration. The bill also provides that the seller, rather than the  
17 buyer, is responsible for the payment of both the additional fee and  
18 the controlling interest transfer tax imposed on certain transfers of  
19 real property valued at over \$1 million.

20 Currently, an additional fee is imposed on the buyer of various  
21 categories of real property, including residential property,  
22 commercial property, certain farm property, and cooperative units,  
23 for consideration in excess of \$1 million, as recited in the deed.  
24 The State also imposes a controlling interest transfer tax on certain  
25 non-deed transfers of commercial property that are not subject to  
26 this additional fee. The controlling interest transfer tax is imposed  
27 on the purchaser of a controlling interest in an entity that directly or  
28 indirectly owns certain commercial property, provided that the  
29 consideration paid to acquire the interest exceeds \$1 million. In  
30 both cases, the additional fee and controlling interest transfer tax  
31 are generally imposed in an amount equal to one percent of the  
32 consideration paid to acquire the transferred property or interest.

33 This bill increases the amount of the additional fee and the  
34 controlling interest transfer tax in accordance with the following  
35 percentages of the consideration received for certain transferred  
36 properties or controlling interests: two percent for transfers over \$2  
37 million but not more than \$2.5 million; two and one-half percent for  
38 transfers over \$2.5 million but not more than \$3 million; three  
39 percent for transfers over \$3 million but not more than \$3.5 million;  
40 and three and one-half percent for transfers over \$3.5 million.

41 Additionally, this bill amends current law to provide that the  
42 seller, rather than the buyer, is responsible for the payment of the  
43 additional fee and controlling interest transfer tax.

44 The bill also permits certain sellers to apply to the Director of  
45 the Division of Taxation for a refund of additional fee amounts paid  
46 in excess of one percent of the consideration. Specifically, a seller  
47 is eligible for a refund, upon submission of any required  
48 documentation, for any fee imposed in excess of one percent of the

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1 consideration for a transfer of real property made for consideration  
2 in excess of \$1 million which is recorded on or before November  
3 15, 2025 and transferred pursuant to a contract that was fully  
4 executed before July 10, 2025.

# ASSEMBLY BUDGET COMMITTEE

## STATEMENT TO

### ASSEMBLY, No. 5804

# STATE OF NEW JERSEY

DATED: JUNE 26, 2025

The Assembly Budget Committee reports favorably Assembly Bill No. 5804.

As reported, this bill increases the amount of the additional taxes and fees imposed on certain transfers of real property for over \$2 million in consideration. The bill also provides that the seller, rather than the buyer, is responsible for the payment of both the additional fee and the controlling interest transfer tax imposed on certain transfers of real property valued at over \$1 million.

Currently, an additional fee is imposed on the buyer of various categories of real property, including residential property, commercial property, certain farm property, and cooperative units, for consideration in excess of \$1 million, as recited in the deed. The State also imposes a controlling interest transfer tax on certain non-deed transfers of commercial property that are not subject to this additional fee. The controlling interest transfer tax is imposed on the purchaser of a controlling interest in an entity that directly or indirectly owns certain commercial property, provided that the consideration paid to acquire the interest exceeds \$1 million. In both cases, the additional fee and controlling interest transfer tax are generally imposed in an amount equal to one percent of the consideration paid to acquire the transferred property or interest.

This bill increases the amount of the additional fee and the controlling interest transfer tax in accordance with the following percentages of the consideration received for certain transferred properties or controlling interests: two percent for transfers over \$2 million but not more than \$2.5 million; two and one-half percent for transfers over \$2.5 million but not more than \$3 million; three percent for transfers over \$3 million but not more than \$3.5 million; and three and one-half percent for transfers over \$3.5 million.

Additionally, this bill amends current law to provide that the seller, rather than the buyer, is responsible for the payment of the additional fee and controlling interest transfer tax.

The bill also permits certain sellers to apply to the Director of the Division of Taxation for a refund of additional fee amounts paid in excess of one percent of the consideration. Specifically, a seller is eligible for a refund, upon submission of any required documentation,

for any fee imposed in excess of one percent of the consideration for a transfer of real property made for consideration in excess of \$1 million which is recorded on or before November 15, 2025 and transferred pursuant to a contract that was fully executed before July 10, 2025.

FISCAL IMPACT:

Fiscal information for this bill is currently unavailable.

**SENATE, No. 4666**

**STATE OF NEW JERSEY**  
**221st LEGISLATURE**

INTRODUCED JUNE 23, 2025

**Sponsored by:**

**Senator BENJIE E. WIMBERLY**

**District 35 (Bergen and Passaic)**

**SYNOPSIS**

Modifies payer of additional fees and taxes imposed on certain real property transfers; modifies fees and taxes imposed on property transfers valued over \$2 million.

**CURRENT VERSION OF TEXT**

As introduced.



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2

1 AN ACT concerning the additional fees and taxes on certain  
2 transfers of real property for over \$1 million, amending  
3 P.L.2004, c.66 and P.L.2006, c.33, and repealing section 2 of  
4 P.L.2005, c.19.

5

6 **BE IT ENACTED** by the Senate and General Assembly of the State  
7 of New Jersey:

8

9 1. Section 8 of P.L.2004, c.66 (C.46:15-7.2) is amended to read  
10 as follows:

11 8. a. In addition to all other fees imposed under P.L.1968, c.49  
12 (C.46:15-5 et seq.), there is imposed a fee upon the **【grantee】**  
13 grantor of a deed for the transfer of real property:

14 (1) that is classified pursuant to the requirements of  
15 N.J.A.C.18:12-2.2 as Class 2 "residential";

16 (2) (a) that includes property classified pursuant to the  
17 requirements of N.J.A.C.18:12-2.2 as Class 3A: "farm property  
18 (regular)" but only if the property includes a building or structure  
19 intended or suited for residential use, and

20 (b) any other real property, regardless of class, that is effectively  
21 transferred to the same grantee in conjunction with the property  
22 described in subparagraph (a) of this paragraph;

23 (3) that is a cooperative unit as defined in section 3 of P.L.1987,  
24 c.381 (C.46:8D-3); or

25 (4) that is classified pursuant to the requirements of  
26 N.J.A.C.18:12-2.2 as Class 4A "commercial **【properties】** that is  
27 transferred for **【** properties. **】**"

28 The fee imposed upon the grantor of a deed for the transfer of  
29 real property pursuant to this subsection shall be in an amount equal  
30 to the following percentage of the entire amount of consideration  
31 recited in the deed: if the consideration is in excess of \$1,000,000  
32 **【recited in the deed】** but not in excess of \$2,000,000, **【**which fee  
33 shall be an amount equal to 1 **【**one percent **【**of the entire amount of  
34 such consideration, which fee **】** ; if the consideration is in excess of  
35 \$2,000,000 but not in excess of \$2,500,000, two percent; if the  
36 consideration is in excess of \$2,500,000 but not in excess of  
37 \$3,000,000, two and one-half percent; if the consideration is in  
38 excess of \$3,000,000 but not in excess of \$3,500,000, three percent;  
39 if the consideration is in excess of \$3,500,000, three and one-half  
40 percent. The fee imposed pursuant to this subsection shall be  
41 collected by the county recording officer at the time the deed is  
42 offered for recording and remitted to the State Treasurer not later  
43 than the 10th day of the month following the month of collection  
44 for deposit into the General Fund.

**EXPLANATION – Matter enclosed in bold-faced brackets **【thus】** in the above bill is not enacted and is intended to be omitted in the law.**

**Matter underlined thus is new matter.**

1       b. (1) The fee imposed by subsection a. of this section shall not  
2 apply to a deed if the grantee of the deed for the transfer of real  
3 property is an organization determined by the federal Internal  
4 Revenue Service to be exempt from federal income taxation  
5 pursuant to paragraph (3) of subsection (c) of section 501 of the  
6 federal Internal Revenue Code of 1986, 26 U.S.C. s.501.

7       (2) The fee imposed by subsection a. of this section shall not  
8 apply to a deed if the transfer of real property is incidental to a  
9 corporate merger or acquisition and the equalized assessed value of  
10 the real property transferred is less than **[20%]** 20 percent of the  
11 total value of all assets exchanged in the merger or acquisition. A  
12 **[grantee]** grantor shall claim this exemption from imposition of the  
13 fee at the time the deed is offered for recording by filing with the  
14 county recording officer such information, in addition to the  
15 affidavit of consideration filed by one or more of the **[grantee]**  
16 grantor parties named in the deed or by the **[grantee's]** grantor's  
17 legal representative pursuant to subsection d. of this section, as the  
18 Director of the Division of Taxation in the Department of the  
19 Treasury may prescribe as to constitute a filing of a protest of the  
20 assessment of the fee and by paying any other recording fees not  
21 exempted pursuant to this paragraph. This additional information  
22 shall be forwarded by the county recording officer to the director  
23 along with the **[grantee's]** grantor's affidavit of consideration, and  
24 shall be deemed to be and have the effect of a protest of a finding  
25 by the director of a deficiency of payment of the fee filed on the  
26 date on which the deed is recorded.

27       (3) The fee imposed by subsection a. of this section shall not  
28 apply to a deed if the transfer of real property is entered into on or  
29 after January 1, 2021 and is an intercompany transfer between  
30 combined group members as part of the unitary business, as those  
31 terms are used in section 4 of P.L.1945, c.162 (C.54:10A-4).

32       c. The fee imposed by subsection a. of this section shall be  
33 subject to the provisions of the State Uniform Tax Procedure Law,  
34 R.S.54:48-1 et seq.; provided however, that notwithstanding the  
35 provisions of subsection a. of R.S.54:49-14, a taxpayer may file a  
36 claim under oath for refund at any time within 90 days after the  
37 payment of any original fee and that subsection b. of R.S.54:49-14  
38 shall not apply to any additional fee assessed.

39       d. (1) If a transfer includes property classified pursuant to the  
40 requirements of N.J.A.C.18:12-2.2 as Class 4 property of any type,  
41 an affidavit of consideration shall be filed by one or more of the  
42 grantor parties named in the deed or by the grantor's legal  
43 representative declaring the consideration and shall be annexed to  
44 and recorded with the deed as a prerequisite for the recording of the  
45 deed. The filing of an affidavit of consideration pursuant to this  
46 paragraph shall be in addition to the filing, if any, pursuant to  
47 paragraph (2) of this subsection.

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1 (2) Whether or not the transfer is exempt, pursuant to subsection  
2 b. of this section or any other provision of law, from payment of the  
3 fee pursuant to subsection a. of this section, if a transfer includes  
4 property otherwise subject to subsection a. of this section, then an  
5 affidavit of consideration shall be filed by one or more of the  
6 **[grantee] grantor** parties named in the deed or by the **[grantee's]**  
7 **grantor's** legal representative declaring the consideration and shall  
8 be annexed to and recorded with the deed as a prerequisite for the  
9 recording of the deed. The filing of an affidavit of consideration  
10 pursuant to this paragraph shall be in addition to the filing, if any,  
11 pursuant to paragraph (1) of this subsection.

12 (3) An affidavit of consideration filed pursuant to paragraph (1)  
13 or paragraph (2) of this subsection shall clearly and entirely state  
14 the consideration, the county and municipality in which the  
15 property is situate, and the block and lot description of the real  
16 property conveyed.

17 (4) One copy of each affidavit of consideration filed and  
18 recorded with deeds pursuant to this subsection shall be forwarded  
19 by the county recording officer to the Director of the Division of  
20 Taxation in the Department of the Treasury on the **[tenth] 10th** day  
21 of the month following the month of the filing of the deed.  
22 (cf: P.L.2020, c.118, s.2)

23  
24 2. Section 2 of P.L.2006, c.33 (C.46:15-7.4) is amended to read  
25 as follows:

26 2. Notwithstanding the provisions of section 8 of P.L.2004,  
27 c.66 (C.46:15-7.2), for the transfer of real property that was  
28 **[classified pursuant to the requirements of N.J.A.C.18:12-2.2 as**  
29 **Class 4A "commercial properties" at the time of the recording of the**  
30 **deed]** made for consideration in excess of \$1,000,000, provided that  
31 the deed was recorded on or before November 15, **[2006] 2025**,  
32 and that was transferred pursuant to a contract that was fully  
33 executed before July 1, **[2006] 2025**, **[the] any fee in excess of one**  
34 **percent of consideration** imposed pursuant to section 8 of P.L.2004,  
35 c.66 (C.46:15-7.2) shall **[be] have the difference between the**  
36 **amount in excess of one percent of consideration and one percent of**  
37 **consideration** refunded to the **[grantee] grantor** by the filing, within  
38 one year following the date of the recording of the deed, of a claim  
39 with the New Jersey Division of Taxation for a refund of the fee  
40 paid. Proof of claim for refund shall be made by the submission of  
41 such documentation as the Director of the Division of Taxation may  
42 require.

43 (cf: P.L.2006, c.33, s.2)

44  
45 3. Section 3 of P.L.2006, c.33 (C.54:15C-1) is amended to read  
46 as follows:

1       3. a. (1) (a) There is imposed and shall be paid a tax upon the  
2 sale or transfer for consideration in excess of \$1,000,000 of a  
3 controlling interest in an entity which possesses, directly or  
4 indirectly, a controlling interest in classified real property, which  
5 shall be paid by the **【purchaser】** seller of the controlling interest  
6 and which shall be equal to **【1%】** a percent, as set forth in  
7 subparagraph (b) of this paragraph, of the consideration paid on the  
8 sale or transfer; provided however that in the case of the sale or  
9 transfer of a controlling interest in an entity which possesses,  
10 directly or indirectly, an interest in classified real property and an  
11 interest in other property, real or personal, there shall be paid a tax  
12 upon the sale only if the equalized assessed value of the classified  
13 real property exceeds \$1,000,000 which shall be paid by the  
14 **【purchaser】** seller of the controlling interest and which shall be  
15 equal to **【1%】** a percent, as set forth in subparagraph (b) of this  
16 paragraph, of that percentage of the equalized assessed value of the  
17 classified real property that is equal to the percentage of the  
18 ownership interest transferred.

19       (b) The tax imposed pursuant to this paragraph shall be in an  
20 amount equal to the following percentage of the consideration paid  
21 on the sale or transfer or the equalized assessed value of the  
22 classified real property, as applicable:

23       (i) if the consideration or equalized assessed value, as  
24 applicable, exceeds \$1,000,000, but is not in excess of \$2,000,000,  
25 one percent;

26       (ii) if the consideration or equalized assessed value, as  
27 applicable, exceeds \$2,000,000, but is not in excess of \$2,500,000,  
28 two percent;

29       (iii) if the consideration or equalized assessed value, as  
30 applicable, exceeds \$2,500,000, but is not in excess of \$3,000,000,  
31 two and one-half percent;

32       (iv) if the consideration or equalized assessed value, as  
33 applicable, exceeds \$3,000,000, but is not in excess of \$3,500,000,  
34 three percent; and

35       (v) if the consideration or equalized assessed value, as  
36 applicable, exceeds \$3,500,000, three and one-half percent.

37       (2) The sale or transfer of a controlling interest subject to  
38 taxation pursuant to paragraph (1) of this subsection may occur in  
39 one transaction or in a series of transactions. Transactions which  
40 occur within six months of each other are presumed, unless shown  
41 to the contrary, to be a series of transactions constituting a single  
42 sale or transfer.

43       Sale or transfer of a controlling interest subject to taxation  
44 pursuant to paragraph (1) of this subsection may be accomplished  
45 by one purchaser or may be made by a group of purchasers acting in  
46 concert. Purchasers who are related parties are presumed, unless  
47 shown to the contrary, to be acting in concert.

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1       b. On or before the last day of the month following the month  
2 in which the sale or transfer of a controlling interest which is  
3 subject to the tax imposed by subsection a. of this section is  
4 completed, the **【purchaser】** seller shall file a return with the  
5 director, in such form as the director may prescribe. Payment of the  
6 tax shall accompany the return.

7       c. The tax imposed by subsection a. of this section shall not  
8 apply to any sale or transfer:

9       (1) by or to the United States of America, this State, or any  
10 instrumentality, agency, or subdivision thereof;

11       (2) to a purchaser that is an organization determined by the  
12 federal Internal Revenue Service to be exempt from federal income  
13 taxation pursuant to paragraph (3) of subsection (c) of section 501  
14 of the federal Internal Revenue Code of 1986, 26 U.S.C. s.501;

15       (3) having the underlying characteristics of the transactions  
16 enumerated in section 6 of P.L.1968, c.49 (C.46:15-10);

17       (4) that is subject to the fee imposed tax pursuant to section 8 of  
18 P.L.2004, c.66 (C.46:15-7.2);

19       (5) that is incidental to a corporate merger or acquisition if the  
20 equalized assessed value of the real property transferred is less than  
21 **【20%】** 20 percent of the total value of all assets exchanged in the  
22 merger or acquisition; or

23       (6) entered into on and after January 1, 2021 if it is an  
24 intercompany transfer between combined group members as part of  
25 the unitary business, as those terms are used in section 4 of  
26 P.L.1945, c.162 (C.54:10A-4).

27       d. Notwithstanding the provisions of subsection a. of this  
28 section, the transfer of a controlling interest on or before November  
29 15, **【2006】** 2025 in an entity which possesses, directly or indirectly,  
30 an interest in classified real property shall **【not】** be subject to tax  
31 equal to one percent of the consideration over \$1,000,000 if the  
32 interest was transferred pursuant to a contract or other binding  
33 agreement that was fully executed before July 1, **【2006】** 2025.

34       e. (1) The director may require all **【purchasers】** sellers subject to  
35 a tax imposed under this section to keep such records as the director  
36 may prescribe, and the director may require the production of  
37 books, papers, documents and other data, to provide or secure  
38 information pertinent to the determination of the taxes imposed by  
39 this section and the enforcement and collection thereof.

40       (2) An entity with respect to which there is a sale or transfer of a  
41 controlling interest in that entity, shall keep a record of every  
42 transfer of a controlling interest in its stock or in its capital, profits  
43 or beneficial interests, as the case may be, and such other  
44 information as the director may prescribe. An entity shall report  
45 that information to the director in such form and at such times as  
46 the director may prescribe.

1 (3) The director may examine the books, papers, records and  
2 equipment of an entity with respect to which there is a sale or  
3 transfer of a controlling interest in that entity or of a **【purchaser】**  
4 seller liable under the provisions of this section.

5 (4) The director shall collect and administer the tax imposed  
6 pursuant to this section. The director is authorized to adopt rules  
7 and regulations to effectuate the purposes of this section pursuant to  
8 the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et  
9 seq.).

10 (5) The director may extend, for cause shown by general  
11 regulation or individual authorization, the time of filing any return  
12 on such terms and conditions as the director may require, and may,  
13 for cause shown, remit or waive penalties and interest as provided  
14 for in the State Uniform Tax Procedure Law, R.S.54:48-1 et seq.

15 (6) The director may delegate the director's functions hereunder  
16 to any officer or employee of the director's division such of the  
17 director's powers as the director may deem necessary to carry out  
18 efficiently the provisions of this section.

19 f. The tax imposed pursuant to this section shall be governed  
20 by the provisions of the State Uniform Tax Procedure Law,  
21 R.S.54:48-1 et seq.

22 g. As used in this section:

23 "Classified real property" means property that is classified  
24 pursuant to the requirements of N.J.A.C.18:12-2.2 as Class 4A  
25 "commercial properties".

26 **【"Director" means the Director of the Division of Taxation in the  
27 Department of the Treasury.】**

28 "Consideration" means the actual amount of money and the  
29 monetary value of any other thing of value constituting the entire  
30 compensation paid or to be paid for the transfer including the  
31 remaining amount of any prior mortgage to which the transfer is  
32 subject or which is to be assumed and agreed to be paid by the  
33 purchaser.

34 "Controlling interest" means, in the case of an entity that is a  
35 corporation, more than **【fifty per cent】** 50 percent of the total  
36 combined voting power of all classes of stock of that corporation,  
37 and in the case of an entity that is a partnership, association, trust or  
38 other organization, more than **【fifty per cent】** 50 percent of the  
39 beneficial ownership of classified real property of that partnership,  
40 association, trust or other organization.

41 "Director" means the Director of the Division of Taxation in the  
42 Department of the Treasury.

43 "Related parties" means parties that have the relationship  
44 necessary for attribution of constructive ownership of stock  
45 pursuant to section 318 of the federal Internal Revenue Code of  
46 1986, 26 U.S.C. s.318, and members of an affiliated group or a

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8

1 controlled group pursuant to section 1504 or 1563 of the federal  
2 Internal Revenue Code of 1986, 26 U.S.C. s.1504 or 1563.

3 (cf: P.L.2020, c.118, s.13)

4

5 4. Section 2 of P.L.2005, c.19 (C.46:15-7.3) is repealed.

6

7 5. This act shall take effect immediately and shall apply to  
8 transfers of real property or controlling interests occurring on or  
9 after July 1, 2025.

10

11

12 STATEMENT

13

14 This bill increases the amount of the additional taxes and fees  
15 imposed on certain transfers of real property for over \$2 million in  
16 consideration. The bill also provides that the seller, rather than the  
17 buyer, is responsible for the payment of both the additional fee and  
18 the controlling interest transfer tax imposed on certain transfers of  
19 real property valued at over \$1 million.

20 Currently, an additional fee is imposed on the buyer of various  
21 categories of real property, including residential property,  
22 commercial property, certain farm property, and cooperative units,  
23 for consideration in excess of \$1 million, as recited in the deed.  
24 The State also imposes a controlling interest transfer tax on certain  
25 non-deed transfers of commercial property that are not subject to  
26 this additional fee. The controlling interest transfer tax is imposed  
27 on the purchaser of a controlling interest in an entity that directly or  
28 indirectly owns certain commercial property, provided that the  
29 consideration paid to acquire the interest exceeds \$1 million. In  
30 both cases, the additional fee and controlling interest transfer tax  
31 are generally imposed in an amount equal to one percent of the  
32 consideration paid to acquire the transferred property or interest.

33 This bill increases the amount of the additional fee and the  
34 controlling interest transfer tax in accordance with the following  
35 percentages of the consideration received for certain transferred  
36 properties or controlling interests: two percent for transfers over \$2  
37 million but not more than \$2.5 million; two and one-half percent for  
38 transfers over \$2.5 million but not more than \$3 million; three  
39 percent for transfers over \$3 million but not more than \$3.5 million;  
40 and three and one-half percent for transfers over \$3.5 million.

41 Additionally, this bill amends current law to provide that the  
42 seller, rather than the buyer, is responsible for the payment of the  
43 additional fee and controlling interest transfer tax.

44 The bill also permits certain sellers to apply to the Director of  
45 the Division of Taxation for a refund of additional fee amounts paid  
46 in excess of one percent of the consideration. Specifically, a seller  
47 is eligible for a refund, upon submission of any required  
48 documentation, for any fee imposed in excess of one percent of the

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9

1 consideration for a transfer of real property made for consideration  
2 in excess of \$1 million which is recorded on or before November  
3 15, 2025 and transferred pursuant to a contract that was fully  
4 executed before July 1, 2025.

[First Reprint]

**SENATE, No. 4666**

**STATE OF NEW JERSEY**

**221st LEGISLATURE**

INTRODUCED JUNE 23, 2025

**Sponsored by:**

**Senator BENJIE E. WIMBERLY**

**District 35 (Bergen and Passaic)**

**SYNOPSIS**

Modifies payer of additional fees and taxes imposed on certain real property transfers; modifies fees and taxes imposed on property transfers valued over \$2 million.

**CURRENT VERSION OF TEXT**

As reported by the Senate Budget and Appropriations Committee on June 26, 2025, with amendments.



1 AN ACT concerning the additional fees and taxes on certain  
2 transfers of real property for over \$1 million, amending  
3 P.L.2004, c.66 and P.L.2006, c.33, and repealing section 2 of  
4 P.L.2005, c.19.

5

6 **BE IT ENACTED** by the Senate and General Assembly of the State  
7 of New Jersey:

8

9 1. Section 8 of P.L.2004, c.66 (C.46:15-7.2) is amended to read  
10 as follows:

11 8. a. In addition to all other fees imposed under P.L.1968, c.49  
12 (C.46:15-5 et seq.), there is imposed a fee upon the **[grantee]**  
13 **grantor** of a deed for the transfer of real property:

14 (1) that is classified pursuant to the requirements of  
15 N.J.A.C.18:12-2.2 as Class 2 "residential";

16 (2) (a) that includes property classified pursuant to the  
17 requirements of N.J.A.C.18:12-2.2 as Class 3A: "farm property  
18 (regular)" but only if the property includes a building or structure  
19 intended or suited for residential use, and

20 (b) any other real property, regardless of class, that is effectively  
21 transferred to the same grantee in conjunction with the property  
22 described in subparagraph (a) of this paragraph;

23 (3) that is a cooperative unit as defined in section 3 of P.L.1987,  
24 c.381 (C.46:8D-3); or

25 (4) that is classified pursuant to the requirements of  
26 N.J.A.C.18:12-2.2 as Class 4A "commercial **[properties]**" that is  
27 transferred for **]** properties."

28 The fee imposed upon the grantor of a deed for the transfer of  
29 real property pursuant to this subsection shall be in an amount equal  
30 to the following percentage of the entire amount of consideration  
31 recited in the deed: if the consideration is in excess of \$1,000,000  
32 **[recited in the deed]** but not in excess of \$2,000,000, [which fee  
33 shall be an amount equal to 1 ] one percent [of the entire amount of  
34 such consideration, which fee] ; if the consideration is in excess of  
35 \$2,000,000 but not in excess of \$2,500,000, two percent; if the  
36 consideration is in excess of \$2,500,000 but not in excess of  
37 \$3,000,000, two and one-half percent; if the consideration is in  
38 excess of \$3,000,000 but not in excess of \$3,500,000, three percent;  
39 if the consideration is in excess of \$3,500,000, three and one-half  
40 percent. The fee imposed pursuant to this subsection shall be  
41 collected by the county recording officer at the time the deed is  
42 offered for recording and remitted to the State Treasurer not later  
43 than the 10th day of the month following the month of collection  
44 for deposit into the General Fund.

**EXPLANATION** – Matter enclosed in bold-faced brackets **[thus]** in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

<sup>1</sup>Senate SBA committee amendments adopted June 26, 2025.

1       b. (1) The fee imposed by subsection a. of this section shall not  
2 apply to a deed if the grantee of the deed for the transfer of real  
3 property is an organization determined by the federal Internal  
4 Revenue Service to be exempt from federal income taxation  
5 pursuant to paragraph (3) of subsection (c) of section 501 of the  
6 federal Internal Revenue Code of 1986, 26 U.S.C. s.501.

7       (2) The fee imposed by subsection a. of this section shall not  
8 apply to a deed if the transfer of real property is incidental to a  
9 corporate merger or acquisition and the equalized assessed value of  
10 the real property transferred is less than **[20%]** 20 percent of the  
11 total value of all assets exchanged in the merger or acquisition. A  
12 **[grantee]** grantor shall claim this exemption from imposition of the  
13 fee at the time the deed is offered for recording by filing with the  
14 county recording officer such information, in addition to the  
15 affidavit of consideration filed by one or more of the **[grantee]**  
16 grantor parties named in the deed or by the **[grantee's]** grantor's  
17 legal representative pursuant to subsection d. of this section, as the  
18 Director of the Division of Taxation in the Department of the  
19 Treasury may prescribe as to constitute a filing of a protest of the  
20 assessment of the fee and by paying any other recording fees not  
21 exempted pursuant to this paragraph. This additional information  
22 shall be forwarded by the county recording officer to the director  
23 along with the **[grantee's]** grantor's affidavit of consideration, and  
24 shall be deemed to be and have the effect of a protest of a finding  
25 by the director of a deficiency of payment of the fee filed on the  
26 date on which the deed is recorded.

27       (3) The fee imposed by subsection a. of this section shall not  
28 apply to a deed if the transfer of real property is entered into on or  
29 after January 1, 2021 and is an intercompany transfer between  
30 combined group members as part of the unitary business, as those  
31 terms are used in section 4 of P.L.1945, c.162 (C.54:10A-4).

32       c. The fee imposed by subsection a. of this section shall be  
33 subject to the provisions of the State Uniform Tax Procedure Law,  
34 R.S.54:48-1 et seq.; provided however, that notwithstanding the  
35 provisions of subsection a. of R.S.54:49-14, a taxpayer may file a  
36 claim under oath for refund at any time within 90 days after the  
37 payment of any original fee and that subsection b. of R.S.54:49-14  
38 shall not apply to any additional fee assessed.

39       d. (1) If a transfer includes property classified pursuant to the  
40 requirements of N.J.A.C.18:12-2.2 as Class 4 property of any type,  
41 an affidavit of consideration shall be filed by one or more of the  
42 grantor parties named in the deed or by the grantor's legal  
43 representative declaring the consideration and shall be annexed to  
44 and recorded with the deed as a prerequisite for the recording of the  
45 deed. The filing of an affidavit of consideration pursuant to this  
46 paragraph shall be in addition to the filing, if any, pursuant to  
47 paragraph (2) of this subsection.

1 (2) Whether or not the transfer is exempt, pursuant to subsection  
2 b. of this section or any other provision of law, from payment of the  
3 fee pursuant to subsection a. of this section, if a transfer includes  
4 property otherwise subject to subsection a. of this section, then an  
5 affidavit of consideration shall be filed by one or more of the  
6 **[grantee] grantor** parties named in the deed or by the **[grantee's]**  
7 **grantor's** legal representative declaring the consideration and shall  
8 be annexed to and recorded with the deed as a prerequisite for the  
9 recording of the deed. The filing of an affidavit of consideration  
10 pursuant to this paragraph shall be in addition to the filing, if any,  
11 pursuant to paragraph (1) of this subsection.

12 (3) An affidavit of consideration filed pursuant to paragraph (1)  
13 or paragraph (2) of this subsection shall clearly and entirely state  
14 the consideration, the county and municipality in which the  
15 property is situate, and the block and lot description of the real  
16 property conveyed.

17 (4) One copy of each affidavit of consideration filed and  
18 recorded with deeds pursuant to this subsection shall be forwarded  
19 by the county recording officer to the Director of the Division of  
20 Taxation in the Department of the Treasury on the **[tenth] 10th** day  
21 of the month following the month of the filing of the deed.  
22 (cf: P.L.2020, c.118, s.2)

23  
24 2. Section 2 of P.L.2006, c.33 (C.46:15-7.4) is amended to read  
25 as follows:

26 2. Notwithstanding the provisions of section 8 of P.L.2004,  
27 c.66 (C.46:15-7.2), for the transfer of real property that was  
28 **[classified pursuant to the requirements of N.J.A.C.18:12-2.2 as**  
29 **Class 4A "commercial properties" at the time of the recording of the**  
30 **deed]** made for consideration in excess of \$1,000,000, provided that  
31 the deed was recorded on or before November 15, **[2006] 2025**,  
32 and that was transferred pursuant to a contract that was fully  
33 executed before July <sup>1</sup>**[1] 10<sup>1</sup>**, **[2006] 2025**, **[the] any** fee in  
34 excess of one percent of consideration imposed pursuant to section  
35 8 of P.L.2004, c.66 (C.46:15-7.2) shall **[be] have the difference**  
36 between the amount in excess of one percent of consideration and  
37 one percent of consideration refunded to the **[grantee] grantor** by  
38 the filing, within one year following the date of the recording of the  
39 deed, of a claim with the New Jersey Division of Taxation for a  
40 refund of the fee paid. Proof of claim for refund shall be made by  
41 the submission of such documentation as the Director of the  
42 Division of Taxation may require.

43 (cf: P.L.2006, c.33, s.2)

44  
45 3. Section 3 of P.L.2006, c.33 (C.54:15C-1) is amended to read  
46 as follows:

1       3. a. (1) (a) There is imposed and shall be paid a tax upon the  
2 sale or transfer for consideration in excess of \$1,000,000 of a  
3 controlling interest in an entity which possesses, directly or  
4 indirectly, a controlling interest in classified real property, which  
5 shall be paid by the **【purchaser】** seller of the controlling interest  
6 and which shall be equal to **【1%】** a percent, as set forth in  
7 subparagraph (b) of this paragraph, of the consideration paid on the  
8 sale or transfer; provided however that in the case of the sale or  
9 transfer of a controlling interest in an entity which possesses,  
10 directly or indirectly, an interest in classified real property and an  
11 interest in other property, real or personal, there shall be paid a tax  
12 upon the sale only if the equalized assessed value of the classified  
13 real property exceeds \$1,000,000 which shall be paid by the  
14 **【purchaser】** seller of the controlling interest and which shall be  
15 equal to **【1%】** a percent, as set forth in subparagraph (b) of this  
16 paragraph, of that percentage of the equalized assessed value of the  
17 classified real property that is equal to the percentage of the  
18 ownership interest transferred.

19       (b) The tax imposed pursuant to this paragraph shall be in an  
20 amount equal to the following percentage of the consideration paid  
21 on the sale or transfer or the equalized assessed value of the  
22 classified real property, as applicable:

23       (i) if the consideration or equalized assessed value, as  
24 applicable, exceeds \$1,000,000, but is not in excess of \$2,000,000,  
25 one percent;

26       (ii) if the consideration or equalized assessed value, as  
27 applicable, exceeds \$2,000,000, but is not in excess of \$2,500,000,  
28 two percent;

29       (iii) if the consideration or equalized assessed value, as  
30 applicable, exceeds \$2,500,000, but is not in excess of \$3,000,000,  
31 two and one-half percent;

32       (iv) if the consideration or equalized assessed value, as  
33 applicable, exceeds \$3,000,000, but is not in excess of \$3,500,000,  
34 three percent; and

35       (v) if the consideration or equalized assessed value, as  
36 applicable, exceeds \$3,500,000, three and one-half percent.

37       (2) The sale or transfer of a controlling interest subject to  
38 taxation pursuant to paragraph (1) of this subsection may occur in  
39 one transaction or in a series of transactions. Transactions which  
40 occur within six months of each other are presumed, unless shown  
41 to the contrary, to be a series of transactions constituting a single  
42 sale or transfer.

43       Sale or transfer of a controlling interest subject to taxation  
44 pursuant to paragraph (1) of this subsection may be accomplished  
45 by one purchaser or may be made by a group of purchasers acting in  
46 concert. Purchasers who are related parties are presumed, unless  
47 shown to the contrary, to be acting in concert.

1       b. On or before the last day of the month following the month  
2 in which the sale or transfer of a controlling interest which is  
3 subject to the tax imposed by subsection a. of this section is  
4 completed, the **【purchaser】** seller shall file a return with the  
5 director, in such form as the director may prescribe. Payment of the  
6 tax shall accompany the return.

7       c. The tax imposed by subsection a. of this section shall not  
8 apply to any sale or transfer:

9       (1) by or to the United States of America, this State, or any  
10 instrumentality, agency, or subdivision thereof;

11       (2) to a purchaser that is an organization determined by the  
12 federal Internal Revenue Service to be exempt from federal income  
13 taxation pursuant to paragraph (3) of subsection (c) of section 501  
14 of the federal Internal Revenue Code of 1986, 26 U.S.C. s.501;

15       (3) having the underlying characteristics of the transactions  
16 enumerated in section 6 of P.L.1968, c.49 (C.46:15-10);

17       (4) that is subject to the fee imposed tax pursuant to section 8 of  
18 P.L.2004, c.66 (C.46:15-7.2);

19       (5) that is incidental to a corporate merger or acquisition if the  
20 equalized assessed value of the real property transferred is less than  
21 **【20%】** 20 percent of the total value of all assets exchanged in the  
22 merger or acquisition; or

23       (6) entered into on and after January 1, 2021 if it is an  
24 intercompany transfer between combined group members as part of  
25 the unitary business, as those terms are used in section 4 of  
26 P.L.1945, c.162 (C.54:10A-4).

27       d. Notwithstanding the provisions of subsection a. of this  
28 section, the transfer of a controlling interest on or before November  
29 15, **【2006】** 2025 in an entity which possesses, directly or indirectly,  
30 an interest in classified real property shall **【not】** be subject to tax  
31 equal to one percent of the consideration over \$1,000,000 if the  
32 interest was transferred pursuant to a contract or other binding  
33 agreement that was fully executed before July <sup>1</sup>**【1】** 10<sup>1</sup>, **【2006】**  
34 2025.

35       e. (1) The director may require all **【purchasers】** sellers subject to  
36 a tax imposed under this section to keep such records as the director  
37 may prescribe, and the director may require the production of  
38 books, papers, documents and other data, to provide or secure  
39 information pertinent to the determination of the taxes imposed by  
40 this section and the enforcement and collection thereof.

41       (2) An entity with respect to which there is a sale or transfer of a  
42 controlling interest in that entity, shall keep a record of every  
43 transfer of a controlling interest in its stock or in its capital, profits  
44 or beneficial interests, as the case may be, and such other  
45 information as the director may prescribe. An entity shall report  
46 that information to the director in such form and at such times as  
47 the director may prescribe.

1 (3) The director may examine the books, papers, records and  
2 equipment of an entity with respect to which there is a sale or  
3 transfer of a controlling interest in that entity or of a **[purchaser]**  
4 seller liable under the provisions of this section.

5 (4) The director shall collect and administer the tax imposed  
6 pursuant to this section. The director is authorized to adopt rules  
7 and regulations to effectuate the purposes of this section pursuant to  
8 the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et  
9 seq.).

10 (5) The director may extend, for cause shown by general  
11 regulation or individual authorization, the time of filing any return  
12 on such terms and conditions as the director may require, and may,  
13 for cause shown, remit or waive penalties and interest as provided  
14 for in the State Uniform Tax Procedure Law, R.S.54:48-1 et seq.

15 (6) The director may delegate the director's functions hereunder  
16 to any officer or employee of the director's division such of the  
17 director's powers as the director may deem necessary to carry out  
18 efficiently the provisions of this section.

19 f. The tax imposed pursuant to this section shall be governed  
20 by the provisions of the State Uniform Tax Procedure Law,  
21 R.S.54:48-1 et seq.

22 g. As used in this section:

23 "Classified real property" means property that is classified  
24 pursuant to the requirements of N.J.A.C.18:12-2.2 as Class 4A  
25 "commercial properties".

26 **["Director" means the Director of the Division of Taxation in the  
27 Department of the Treasury.]**

28 "Consideration" means the actual amount of money and the  
29 monetary value of any other thing of value constituting the entire  
30 compensation paid or to be paid for the transfer including the  
31 remaining amount of any prior mortgage to which the transfer is  
32 subject or which is to be assumed and agreed to be paid by the  
33 purchaser.

34 "Controlling interest" means, in the case of an entity that is a  
35 corporation, more than **[fifty per cent]** 50 percent of the total  
36 combined voting power of all classes of stock of that corporation,  
37 and in the case of an entity that is a partnership, association, trust or  
38 other organization, more than **[fifty per cent]** 50 percent of the  
39 beneficial ownership of classified real property of that partnership,  
40 association, trust or other organization.

41 "Director" means the Director of the Division of Taxation in the  
42 Department of the Treasury.

43 "Related parties" means parties that have the relationship  
44 necessary for attribution of constructive ownership of stock  
45 pursuant to section 318 of the federal Internal Revenue Code of  
46 1986, 26 U.S.C. s.318, and members of an affiliated group or a

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8

1 controlled group pursuant to section 1504 or 1563 of the federal  
2 Internal Revenue Code of 1986, 26 U.S.C. s.1504 or 1563.  
3 (cf: P.L.2020, c.118, s.13)

4

5 4. Section 2 of P.L.2005, c.19 (C.46:15-7.3) is repealed.

6

7 5. This act shall take effect immediately and shall apply to  
8 transfers of real property or controlling interests occurring on or after  
9 July ~~1~~<sup>10</sup>, 2025.

# SENATE BUDGET AND APPROPRIATIONS COMMITTEE

## STATEMENT TO

### **SENATE, No. 4666**

with committee amendments

# **STATE OF NEW JERSEY**

DATED: JUNE 26, 2025

The Senate Budget and Appropriations Committee reports favorably and with committee amendments Senate Bill No. 4666.

As amended and reported, this bill increases the amount of the additional taxes and fees imposed on certain transfers of real property for over \$2 million in consideration. The bill also provides that the seller, rather than the buyer, is responsible for the payment of both the additional fee and the controlling interest transfer tax imposed on certain transfers of real property valued at over \$1 million.

Currently, an additional fee is imposed on the buyer of various categories of real property, including residential property, commercial property, certain farm property, and cooperative units, for consideration in excess of \$1 million, as recited in the deed. The State also imposes a controlling interest transfer tax on certain non-deed transfers of commercial property that are not subject to this additional fee. The controlling interest transfer tax is imposed on the purchaser of a controlling interest in an entity that directly or indirectly owns certain commercial property, provided that the consideration paid to acquire the interest exceeds \$1 million. In both cases, the additional fee and controlling interest transfer tax are generally imposed in an amount equal to one percent of the consideration paid to acquire the transferred property or interest.

This bill increases the amount of the additional fee and the controlling interest transfer tax in accordance with the following percentages of the consideration received for certain transferred properties or controlling interests: two percent for transfers over \$2 million but not more than \$2.5 million; two and one-half percent for transfers over \$2.5 million but not more than \$3 million; three percent for transfers over \$3 million but not more than \$3.5 million; and three and one-half percent for transfers over \$3.5 million.

Additionally, this bill amends current law to provide that the seller, rather than the buyer, is responsible for the payment of the additional fee and controlling interest transfer tax.

The bill also permits certain sellers to apply to the Director of the Division of Taxation for a refund of additional fee amounts paid in excess of one percent of the consideration. Specifically, a seller is eligible for a refund, upon submission of any required documentation,

for any fee imposed in excess of one percent of the consideration for a transfer of real property made for consideration in excess of \$1 million which is recorded on or before November 15, 2025 and transferred pursuant to a contract that was fully executed before July 10, 2025.

COMMITTEE AMENDMENTS:

The committee amended the bill to provide that the new rates of the additional fee and controlling interest transfer tax do not apply, provided certain conditions are met, to contracts fully executed before July 10, 2025, instead of to contracts fully executed before July 1, 2025 as the bill was introduced.

FISCAL IMPACT:

Fiscal information for this bill is currently unavailable.

# Bills Gov Acted On

Posted on - 06/30/2025

The Governor has acted on the following bills:

## **BILL SIGNINGS:**

**S-4620/A-5879 (McKnight, Mukherji/McCann Stamato)** - Amends Fiscal Year 2025 annual appropriations act to assign distribution of Old Courthouse asbestos remediation funding from Hudson County to Jersey City

**S-2788wGR/A-4569 (Cruz-Perez, Turner/Freiman, Katz, Simmons)** - Appropriates \$128.241 million from constitutionally dedicated CBT revenues to State Agriculture Development Committee for farmland preservation purposes

**A-5100/S-3991 (Rodriguez/Stack)** - Re-appropriates unexpended balance of FY 2024 appropriation for Town of West New York to support recreation center; appropriates \$3 million for Town of West New York – Recreation Center to restore lapsed FY 2024 funding

**A-5807/S-4655 (Pintor Marin/Sarlo)** - Makes FY2025 supplemental appropriations of \$142,615,000; adds various language provisions to FY2025 Appropriations Act

**A-5803/SCS for S-3064 (Bagolie/McKeon, Turner)** - Modifies tax on certain forms of online gaming and wagering

**ACS for A-4455/SCS for S-4503 (Freiman, Schaer, Karabinchak /Sarlo, Mukherji)** - Allows exemption from New Jersey gross income of certain capital gains from sale or exchange of qualified small business stock

**A-5805/SCS for S-4659 and 4661 (Venezia/Sarlo, Vitale)** - Modifies tax rate on certain nicotine products

**A-5804/S-4666 (Reynolds-Jackson/Wimberly)** - Modifies payer of additional fees and taxes imposed on certain real property transfers; modifies fees and taxes imposed on property transfers valued over \$2 million

**A-5809/S-4656 (Murphy/Vitale)** - "Healthcare Finance Enhancement Act"

**S-3189/A-2365 (Zwicker, Sarlo/Tully, Murphy, DePhillips)** - Makes various changes to “New Jersey Angel Investor Tax Credit Act” and Technology Business Tax Certificate Transfer Program; repeals “New Jersey Ignite Act”

**S-4654/A-5878 (Scutari, A.M. Bucco/Schnall, Inganamort)** - Provides for publication of required legal notices on government Internet websites and through certain online news publications

**A-5801/S-4692 (Freiman/Sarlo)** - Appropriates \$247,128,000 from “New Jersey Debt Defeasance and Prevention Fund”; establishes process for authorizing future appropriations for debt defeasance and capital projects

**(BUDGET BILL – w/Rev Cert. LIV, Summary)**

**BILL VETOED:**

**[S-2026/A-5800](#) (Sarlo/Pintor Marin, Park) – w/LINE ITEM** Appropriates \$58,782,119,000 in State funds and \$31,007,261,743 in federal funds for the State budget for fiscal year 2026

**BILL SIGNINGS:**

**A-5810/S-4660 (Pintor Marin, Dolon, Bagolie/McKeon, McKnight)** - Promotes equity in health insurance appeal process

**S-4632/A-5812 (Scutari, Ruiz/Schaer)** - Establishes grant program in DOE for public schools to purchase and install point-of-use filtered bottle-filling stations and filtered faucets

**S-3618/A-4926 (Smith, Greenstein/Calabrese, Tully, Haider)** - Directs DEP and DOT to establish “Wildlife Corridor Action Plan”

**S-3933/A-5075 (Ruiz, McKnight/Swain, Morales, Bagolie)** - Establishes School Supervisor Mentorship Pilot Program; appropriates \$500,000

**A-5077/S-4375 (Morales, Bagolie, Carter/Ruiz, Zwicker)** - Extends statutory pause on collection of student growth objective data

**A-5795/S-4619 (Pintor Marin, Freiman, Drulis/Zwicker)** - Modifies certain provisions of "New Jersey Innovation Evergreen Act"

**S-4618/A-5827 (Mukherji, Gopal/Pintor Marin, Peterpaul, Donlon)** - Modifies certain requirements and award availability under film and digital media content production tax credit program

**S-4122/A-5257 (Burzichelli/Stanley, Egan)** - Revises apportionment of State lottery contributions

# Governor Murphy Signs Fiscal Year 2026 Budget into Law

Posted on - 06/30/2025

*Budget Builds on Governor Murphy's Historic Record of Fiscal Responsibility – With a \$6.7 Billion Surplus to Help Weather Future Financial Challenges Compared to Just \$409 Million Surplus Inherited in 2018*

*Budget Provides An All-Time High Level of Property Tax Relief, the Highest Level of School Funding in History, and a Fifth Consecutive Full Pension Payment*

*Budget Makes Historic Investments in Women's Health Care and Provides Funding to Fully Modernize NJ TRANSIT's Fleet*

**TRENTON** – Governor Phil Murphy today signed into law the Fiscal Year 2026 Appropriations Act, marking a culmination of the Murphy Administration's longstanding commitment to fiscal responsibility, affordability, and opportunity. Over nine budgets spanning nearly eight years in office, Governor Murphy has presided over sustained economic growth while making long overdue investments in addressing the needs of working New Jerseyans, from property tax relief, to school funding, to restoring funding for the State's pension systems.

The \$58.78 billion Fiscal Year 2026 (FY2026) budget, which was passed by the Legislature earlier today, redirects over 75 percent of the total budget back into our communities in the form of grants-in-aid for property tax relief, social services, higher education, as well as State aid to schools, municipalities, and counties. The budget includes an all-time high level of direct property tax relief for homeowners and renters, yields the highest level of school funding in history, and delivers a fifth consecutive full pension payment. It also prioritizes quality health services for women and families, and it invests in beginning to fully modernize NJ TRANSIT's fleet.

Upon taking office, Governor Murphy inherited a \$409 million surplus from his predecessor. Eight years later, the Governor will leave his successor with a surplus 16 times greater than that amount—\$6.7 billion.

"This budget exemplifies our dedication to fiscal responsibility, affordability, and opportunity for all New Jerseyans," **said Governor Murphy**. "Over nearly eight years in office, we have maintained a steadfast commitment to building a stronger and fairer New Jersey and righting our fiscal ship. I'm proud that this budget caps off an eight-year journey to turn our state around and delivers greater economic security and opportunity to every family. With the help of our legislative partners, we are moving New Jersey toward a brighter future for every child, student, worker, parent, and senior citizen who calls our great state home."

"The budget upholds our administration's promise to make sure that New Jersey remains the best state in the nation to live, work, raise a family, and retire," **said Lieutenant Governor Tahesha Way**. "Over the past seven and a half years, we have made historic strides in making our state more affordable for hardworking residents and families through expanded tax relief and major investments in affordable housing, social services, and

education. This state budget is a direct result of the strong collaboration between Governor Murphy, Treasurer Muoio, and legislative leadership.”

“This budget is the culmination of a nearly eight-year effort to improve conditions for all New Jerseyans, building a fiscally stronger state that is more affordable for all,” **said State Treasurer Elizabeth Maher Muoio**. “As always, this budget could not have been completed without the hard work of my staff at the Department of the Treasury and particularly the folks at the Office of Management and Budget and the Office of Revenue and Economic Analysis. I want to thank all of them for their tireless work, dedication, and exemplary professionalism over the past seven and a half years.”

“This is a fiscally responsible budget that puts New Jersey families first. At a time when working people are being left behind by misguided decisions in Washington, we’re making smart, strategic investments that deliver meaningful support, especially through historic property tax reductions, strong funding for public education, higher education, healthcare, transit, and a full pension payment,” **said Senate President Nick Scutari, Senate Majority Leader M. Teresa Ruiz and Senator Paul Sarlo, Chair of the Senate Budget Committee**. “We’re grateful to Governor Murphy and our colleagues in the Legislature for coming together to enact a disciplined, forward-looking budget that safeguards essential services, expands opportunity, and reinforces New Jersey’s long-term fiscal strength.”

### **Fiscal Responsibility**

The budget once again provides a full payment to the pension systems. This year’s \$7.2 billion payment marks the fifth year in a row Governor Murphy has fully funded the systems. Total pension contributions by the Murphy Administration are on track to exceed \$47 billion – nearly four times the \$12.2 billion in total contributions of the previous six governors combined.

With an eye toward ensuring New Jersey remains prepared for the future, this budget provides a surplus of \$6.7 billion, more than ten times larger than the average surplus under the previous administration.

Additionally, the budget includes \$788 million in funding from the Corporate Transit Fee dedicated to support NJ TRANSIT and builds upon \$1.358 billion in interest saved by taxpayers over the last four years by paying down debt and minimizing new debt taken on.

The budget also includes several tax policy changes, including increases for the highest tier of realty transfer fees, sports betting, and cigarettes and vaping, as well as a new exemption for small business investment and reforms to the Angel Investor Tax Credit.

These changes, along with the cuts in appropriations, help ensure that revenues are more closely in line with expenditures.

### **Affordability and Economic Security**

Continuing efforts to make New Jersey affordable for all, this budget includes nearly \$4.3 billion in direct property tax relief for New Jersey homeowners and renters, including \$2.4 billion for the continuation of the popular ANCHOR program, which last year delivered more than \$2.2 billion in property tax relief to nearly two million residents. The budget also continues the Senior Freeze program, with a \$239 million allocation to benefit more than 235,000 taxpayers.

The budget also includes additional funding for the landmark Stay NJ program, allocating \$600 million in

resources to significantly reduce property taxes for more than 432,000 senior homeowners. Stay NJ is expected to launch for the 2025 tax season and will reimburse eligible seniors for up to 50 percent of their property tax bills.

Continuing the focus on making the state more affordable for working and middle-class families, the budget maintains recent expansions of the Earned Income Tax Credit, the Child and Dependent Care Tax Credit, and the Child Tax Credit.

The tax relief included in this budget brings the total relief provided by the Murphy Administration and our partners in the Legislature to more than double any prior administration.

Continuing efforts to provide quality health services for all, a top priority of this administration, the budget includes \$165 million for the continuation of Cover All Kids; \$55.4 million for the Pharmaceutical Assistance to the Aged and Disabled (PAAD) and Senior Gold programs, helping more than 149,000 seniors and residents with disabilities; \$52 million for family planning services and reproductive health programs; and \$35.8 million for Family Connects NJ, which has provided nearly 2,500 free in-home nurse visits to families with newborns and is now available in 11 counties; and \$52 million for family planning services and reproductive health programs.

The proposal also includes \$10 million for a new initiative to provide State employees with full pay while they take family leave to care for a newborn, adopted, or fostered child.

### **Supporting the Next Generation of New Jerseyans**

Last year, Governor Murphy became the first Governor to fully fund the K-12 school funding formula. This budget builds on that commitment, providing record-high school funding in FY2026. The budget includes a record \$12.1 billion for K-12 schools, a nearly \$4 billion increase since FY2018. This budget also addresses feedback from school districts by capping losses in major school aid categories and reducing input volatility, ensuring no district sees a steep reduction in aid from one year to the next. A district's K-12 State aid will not decrease by an amount greater than 3% of the prior year's State aid in the four primary categories: equalization, special education, security, and transportation.

The budget also proposes \$7.5 million in new grant funding to support districts in providing high-impact tutoring to students in need of extra academic support, as well as \$3 million in incentive grants for schools that want to go entirely phone-free, giving students the best opportunity to learn without distraction.

Continuing the push for universal pre-school throughout New Jersey, the FY2026 budget proposes \$1.27 billion for Preschool Education Aid. Since 2018, the Murphy Administration has expanded pre-K to 229 school districts and created nearly 20,000 new seats.

### **Building New Jersey's Future**

In an effort to fortify our transportation infrastructure, this budget includes \$1.23 billion for critical investments in State and local highway and bridge projects, and another \$767 million for NJ TRANSIT to begin to fully modernize its fleet.

To ensure stability and future success for New Jersey's institutions of higher education, this budget provides \$755.2 million in institutional support for State colleges and universities, as well as \$169.1 million for county colleges and \$8.6 million for independent institutions of higher education in New Jersey. This totals \$932.9 million, a nearly 50% increase over the \$629.6 million in funding provided in FY2018.

The budget agreement also provides for \$250 million in bonding for capital grants to higher education institutions. This builds on the \$400 million in capital grants announced in 2023.

The budget also sets aside \$222 million from the Debt Defeasance and Prevention Fund for a critical investment in the construction of a new correctional facility to replace the Edna Mahan Correctional Facility for Women.

An additional one-page policy summary on the central commitments of the FY2026 budget can be found online [here](#).

Governor Murphy signed the Appropriations Act into law today:

**S-2026/A-5800 (Sarlo/Pintor Marin, Park) – w/LINE ITEM** Appropriates \$58,782,119,000 in State funds and \$31,007,261,743 in federal funds for the State budget for fiscal year 2026

[Line Item Veto Message](#)

[Line Item Veto Summary](#)

[Revenue Certification](#)

In addition to the Appropriations Act, Governor Murphy also signed the following bills into law today:

**S-4620/A-5879 (McKnight, Mukherji/McCann Stamato)** - Amends Fiscal Year 2025 annual appropriations act to assign distribution of Old Courthouse asbestos remediation funding from Hudson County to Jersey City

**S-2788wGR/A-4569 (Cruz-Perez, Turner/Freiman, Katz, Simmons)** - Appropriates \$128.241 million from constitutionally dedicated CBT revenues to State Agriculture Development Committee for farmland preservation purposes

**A-5100/S-3991 (Rodriguez/Stack)** - Re-appropriates unexpended balance of FY 2024 appropriation for Town of West New York to support recreation center; appropriates \$3 million for Town of West New York – Recreation Center to restore lapsed FY 2024 funding

**A-5807/S-4655 (Pintor Marin/Sarlo)** - Makes FY2025 supplemental appropriations of \$142,615,000; adds various language provisions to FY2025 Appropriations Act

**A-5803/SCS for S-3064 (Bagolie/McKeon, Turner)** - Modifies tax on certain forms of online gaming and wagering

**ACS for A-4455/SCS for S-4503 (Freiman, Schaer, Karabinchak /Sarlo, Mukherji)** - Allows exemption from New Jersey gross income of certain capital gains from sale or exchange of qualified small business stock

**A-5805/SCS for S-4659 and 4661 (Venezia/Sarlo, Vitale)** - Modifies tax rate on certain nicotine products

**A-5804/S-4666 (Reynolds-Jackson/Wimberly)** - Modifies payer of additional fees and taxes imposed on certain real property transfers; modifies fees and taxes imposed on property transfers valued over \$2 million

**A-5809/S-4656 (Murphy/Vitale)** - "Healthcare Finance Enhancement Act

**S-3189/A-2365 (Zwicker, Sarlo/Tully, Murphy, DePhillips)** - Makes various changes to "New Jersey Angel Investor Tax Credit Act" and Technology Business Tax Certificate Transfer Program; repeals "New Jersey Ignite Act"

**S-4654/A-5878 (Scutari, A.M. Bucco/Schnall, Inganamort)** - Provides for publication of required legal notices on government Internet websites and through certain online news publications

**A-5801/S-4692 (Freiman/Sarlo)** - Appropriates \$247,128,000 from "New Jersey Debt Defeasance and Prevention Fund"; establishes process for authorizing future appropriations for debt defeasance and capital projects

**A-5810/S-4660 (Pintor Marin, Dolon, Bagolie/McKeon, McKnight)** - Promotes equity in health insurance appeal process

**S-4632/A-5812 (Scutari, Ruiz/Schaer)** - Establishes grant program in DOE for public schools to purchase and install point-of-use filtered bottle-filling stations and filtered faucets

**S-3618/A-4926 (Smith, Greenstein/Calabrese, Tully, Haider)** - Directs DEP and DOT to establish "Wildlife Corridor Action Plan"

**S-3933/A-5075 (Ruiz, McKnight/Swain, Morales, Bagolie)** - Establishes School Supervisor Mentorship Pilot Program; appropriates \$500,000

**A-5077/S-4375 (Morales, Bagolie, Carter/Ruiz, Zwicker)** - Extends statutory pause on collection of student growth objective data

**A-5795/S-4619 (Pintor Marin, Freiman, Drulis/Zwicker)** - Modifies certain provisions of "New Jersey Innovation Evergreen Act"

**S-4618/A-5827 (Mukherji, Gopal/Pintor Marin, Peterpaul, Donlon)** - Modifies certain requirements and award availability under film and digital media content production tax credit program

**S-4122/A-5257 (Burzichelli/Stanley, Egan)** - Revises apportionment of State lottery contributions